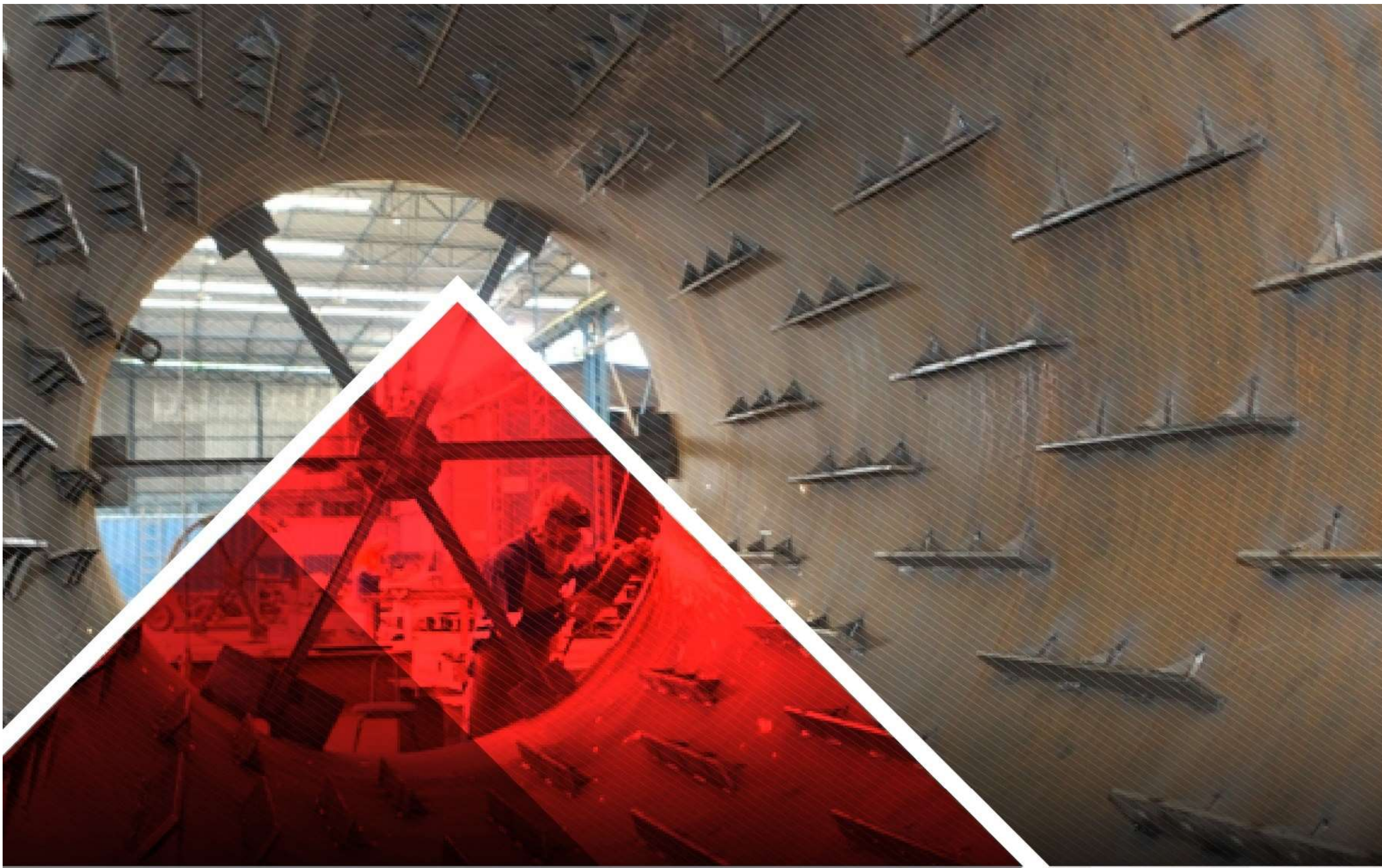

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Information for the three months period ended

March 31, 2020

InterCement

Building sustainable partnerships

São Paulo Corporate Towers
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Independent auditor’s review report on interim financial information

To
Shareholders, Board of Directors and Officers of
InterCement Participações S.A.
São Paulo - SP, Brazil

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of InterCement Participações S.A. and subsidiaries (the “Company”) for the quarter ended March 31, 2020, which comprises the condensed consolidated statement of financial position as of March 31, 2020 and the related condensed consolidated statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the three-month periods then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements - ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information, is not prepared, in all material respects, in accordance with IAS 34 - Interim Financial Reporting.

São Paulo, June 22, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position as of March 31, 2020 and December 31, 2019

(In thousands of U.S. Dollars - US$)

ASSETS	Notes	03.31.2020 (Recasted)	12.31.2019
CURRENT ASSETS			
Cash and cash equivalents	4	167,165	333,869
Securities	5	17,148	19,516
Trade receivables	6	87,449	75,490
Inventories	7	275,476	279,103
Recoverable taxes		53,269	58,658
Other receivables		41,132	37,693
Total current assets		641,639	804,329
NONCURRENT ASSETS			
Securities	5	1,060	1,427
Trade receivables	6	315	504
Inventories	7	88,875	80,607
Recoverable taxes		28,881	35,213
Deferred income tax and social contribution		13,818	10,706
Escrow deposits		13,815	17,607
Derivatives	22.10	5,823	7,060
Other receivables		35,215	39,621
Property Investment		906	1,353
Investments		579	483
Right-of-use assets	19	44,789	60,750
Property, plant and equipment	8	1,517,558	1,690,789
Intangible assets:			
Goodwill	9	843,188	1,076,173
Other intangible assets	9	121,722	150,708
Total noncurrent assets		2,716,544	3,173,001
TOTAL ASSETS		3,358,183	3,977,330

LIABILITIES AND EQUITY	Notes	03.31.2020 (Recasted)	12.31.2019
CURRENT LIABILITIES			
Trade payables		216,213	295,625
Debentures	11	138,503	178,623
Borrowings and financing	10	363,586	220,663
Interest payable	10 and 11	21,057	27,632
Obligations under finance leases (IFRS 16)	19	18,621	30,644
Taxes payable		39,014	54,777
Payroll and related taxes		31,215	33,604
Dividends and interest on capital		222	229
Advances from customers		10,179	10,019
Other payables		27,322	49,026
Total current liabilities		865,932	900,842
NONCURRENT LIABILITIES			
Trade payables		1,742	3,033
Debentures	11	713,288	781,490
Borrowings and financing	10	625,590	750,459
Obligations under finance leases (IFRS 16)	19	35,404	39,708
Provision for tax, civil and labor risks	12	57,878	58,971
Provision for environmental recovery		18,318	20,751
Taxes payable		5,430	7,181
Deferred income tax and social contribution		234,825	257,006
Actuarial liabilities		578	724
Other payables		23,061	29,232
Total noncurrent liabilities		1,716,114	1,948,555
TOTAL LIABILITIES		2,582,046	2,849,397
SHAREHOLDER'S EQUITY			
Capital	14	1,440,119	1,440,119
Capital reserves	14	550,676	550,676
Earnings reserves	14	421,217	421,217
Accumulated losses		(27,103)	-
Other comprehensive income		(1,931,693)	(1,622,369)
Equity attributable to the Company's owners		453,216	789,643
Non-controlling interests	14	322,921	338,290
Total equity		776,137	1,127,933
TOTAL LIABILITIES AND EQUITY		3,358,183	3,977,330

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements Operations for the three months periods ended March 31, 2020 and 2019

(In thousands of U.S. Dollars - US$, except per earnings (loss) per share)

	Notes	03.31.2020 (Recasted)	03.31.2019 (Recasted)
CONTINUING OPERATIONS			
NET REVENUE	16	328,995	388,418
COST OF SALES AND SERVICES	17	(277,363)	(330,815)
GROSS PROFIT		51,632	57,603
OPERATING INCOME (EXPENSES)			
Administrative and selling expenses	17	(37,075)	(53,226)
Other income	17	2,361	2,881
INCOME BEFORE FINANCIAL INCOME (EXPENSES), INCOME TAX AND SOCIAL CONTRIBUTION		16,918	7,258
FINANCIAL INCOME (EXPENSES)			
Foreign exchange gains/(losses), net	18	15,003	(21,557)
Financial income	18	5,077	16,707
Financial expenses	18	(38,600)	(43,302)
LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(1,602)	(40,894)
INCOME TAX AND SOCIAL CONTRIBUTION			
Current	15	(9,981)	(11,284)
Deferred	15	(6,457)	7,951
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(18,040)	(44,227)
DISCONTINUED OPERATIONS			
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.3	-	356,697
PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO			
Company's owners		(27,103)	293,304
Non-controlling interests		9,063	19,166
PROFIT / (LOSS) PER SHARE FOR CONTINUING OPERATIONS			
Basic/diluted profit / (loss) per share	21	(1.19)	(2.56)
PROFIT / (LOSS) PER SHARE FOR CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS			
Basic/diluted profit / (loss) per share	21	(1.19)	12.93

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Comprehensive Income (loss) for the three months periods ended March 31, 2020 and 2019

(In thousands of U.S. Dollars - US$)

	Notes	03.31.2020 (Recasted)	03.31.2019 (Recasted)
CONTINUING OPERATIONS			
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(18,040)	(44,227)
Other comprehensive income:			
Items that might be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		(386,090)	(253,288)
Hyperinflationary monetary adjustment	2.2	51,529	45,189
Hedging derivatives financial instruments		805	(435)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(351,796)	(252,761)
DISCONTINUED OPERATIONS			
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	2.3	-	356,697
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS		-	356,697
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(336,427)	(257,773)
Non-controlling interests		(15,369)	5,012
COMPREHENSIVE INCOME / (LOSS) FROM CONTINUING OPERATIONS AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO:			
Company's owners		(336,427)	93,699
Non-controlling interests		(15,369)	10,237

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Shareholders' Equity for the three months periods ended March 31, 2020 and 2019

(In thousands of U.S. Dollars - US$)

				Earnings reserves							
	Notes	Share capital	Capital Reserves	Legal	Capital Budget	Transactions with noncontrolling interests	Other comprehensive income (loss)	Accumulated profit / (losses)	Total attributable to the Company's owners	Non-controlling interests	Total equity
BALANCE AS OF DECEMBER 31, 2018		1,440,119	625,418	-	-	581,421	(1,410,308)	(229,120)	1,007,530	322,390	1,329,920
Profit for the period		-	-	-	-	-	-	293,304	293,304	19,166	312,470
Dividends to ordinary and preferred shares - paid	14					(53,497)	-	-	(53,497)	-	(53,497)
Other comprehensive income		-	-	-	-	-	(221,923)	-	(221,923)	(31,800)	(253,723)
Hyperinflationary monetary adjustment	2.2	-	-	-	-	-	22,318	-	22,318	22,871	45,189
BALANCE AS OF MARCH 31, 2019 (Recasted)		1,440,119	625,418	-	-	527,924	(1,609,913)	64,184	1,047,732	332,627	1,380,359
BALANCE AS OF DECEMBER 31, 2019		1,440,119	550,676	6,107	116,039	299,071	(1,622,369)	-	789,643	338,290	1,127,933
Profit / (Loss) for the period		-	-	-	-	-	-	(27,103)	(27,103)	9,063	(18,040)
Other comprehensive income		-	-	-	-	-	(334,203)	-	(334,203)	(51,082)	(385,285)
Hyperinflationary monetary adjustment	2.2	-	-	-	-	-	24,879	-	24,879	26,650	51,529
BALANCE AS OF MARCH 31, 2020 (Recasted)		1,440,119	550,676	6,107	116,039	299,071	(1,931,693)	(27,103)	453,216	322,921	776,137

The accompanying notes are an integral part of this consolidated financial statements.

INTERCEMENT PARTICIPAÇÕES, S.A. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows for the three months periods ended March 31, 2020 and 2019

(In thousands of U.S. Dollars - US$)

	Notes	03.31.2020 (Recasted)	03.31.2019 (Recasted)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before income tax and social contribution from continuing and discontinuing operations		(1,602)	315,803
Adjustments to reconcile income before income tax and social contribution with net cash generated by operating activities:			
Depreciation, amortization and impairment losses	17	49,324	47,735
Reversal of allowance for probable losses, net		(1,249)	(355)
Interest, accrued charges, and exchange differences		18,520	50,985
Gain on sale of long-lived assets		(276)	(1,222)
Gain on sale of discontinued operations	2.3	-	(356,697)
Other noncash operating losses (gains)		(8,765)	2,133
Decrease (increase) in operating assets:			
Related parties		-	(5,264)
Trade receivables		(27,877)	(47,726)
Inventories		(43,689)	(42,735)
Recoverable taxes		(2,639)	634
Other receivables		39	(1)
Increase (decrease) in operating liabilities:			
Related parties		(24)	522
Trade payables		12,898	(37,077)
Payroll and vacation payable		5,904	2,829
Other payables		(46,194)	(30,167)
Taxes payable		(2,963)	(2,048)
Cash used by operating activities		(48,593)	(102,651)
Income tax and social contribution paid		(4,948)	(994)
Interest paid		(51,582)	(36,988)
Net cash used by operating activities		(105,123)	(140,633)
CASH FLOW FROM INVESTING ACTIVITIES			
Redemption of (Investments in) securities		281	(271)
Purchase of property, plant and equipment		(75,772)	(57,919)
Increase in intangible assets		(230)	(86)
Cash received from discontinued operations, net o cash balance carved-out	2.3	-	649,359
Intersegment payments to carved-out companies	2.3	-	(118,080)
Cash received from sale of property, plant and equipment		1,447	4,316
Other		(338)	(386)
Net cash generated / (used) in investing activities		(74,612)	476,933
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings, financing and debentures	10 and 11	130,661	29,972
Repayment of borrowings, financing and debentures	10 and 11	(83,599)	(244,960)
Dividends paid	14	-	(53,497)
Payment of principal portion of lease liabilities	19	(5,749)	(7,894)
Other instruments		196	37
Net cash generated / (used) in financing activities		41,509	(276,342)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(138,226)	59,958
EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS		(28,478)	(16,281)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	333,869	441,062
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	167,165	484,739

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

INTERCEMENT PARTICIPAÇÕES S.A. AND SUBSIDIARIES

Notes to the Consolidated Interim Condensed Financial Information for the three months period ended March 31, 2020

(Amounts in thousands of U.S. Dollars - US$, unless otherwise stated)

1. General Information

InterCement Participações, S.A. (“Company” or “ICP”) is a privately-held company headquartered in the City of São Paulo, State of São Paulo, Brazil, engaged in holding equity interests and investments abroad, leading a business group operating in 6 countries (“ICP Group” or “Group”). Its ultimate parent company is Mover Participações S.A.. The Group is primarily engaged in the manufacture and sale of cement and cement by-products, in addition to the extraction of the minerals used to manufacture these products.

The Company owns 35 cement plants, 45 concrete plants, and 6 aggregates plants (located in Brazil, Argentina, Paraguay, Egypt, Mozambique and South Africa). Additionally, in Brazil it holds participation in hydroelectric power generation equity interests and assets.

Refinancing of debts

On June 8, 2020, the Company concluded a debenture issuance by InterCement Participações and InterCement Brasil in an aggregate principal amount of R$4,676,827 thousands (equivalent to approximately US$910,490 considering the exchange currency rate at the date of the transaction). See note 24 for further information.

Such transaction will release from the current portion of borrowing and financing and debentures US$259,075 (considering the exchange currency rate at March 31, 2020), which is sufficient to equilibrate the working capital to sustainable level.

Effects of the new Coronavirus pandemic (COVID-19)

In the first quarter of 2020, a new virus (Corona Virus) spread out across the globe and to contain the dissemination several actions were taken by authorities from different countries. Among others, the action taken restricted travels and any kind of agglomeration.

The global market were severed impacted, resulting in volatility and uncertainties in several perspectives and also about Global Gross Domestic Product (“GDP”) in 2020 and upcoming years.

Management quickly responded to the situation and created committees to respond to the situation with the purpose to prevent labours contamination and implement measures to mitigate or reduce the impact in Company´s business, clients, suppliers, credits and community.

The committees have constantly being in communication with Company´s board and current and future impacts in economy and society are closely monitor by this multi-task team and decisions are being taking as deemed necessary.

In the regions the Company operations, only Argentina and South Africa determined a lockdown as of the issuance of this financial statements. Only South Africa did not consider cement industry as essential product and services, therefore, it was the business segment mostly impacted.

As a result of the crisis and the severe instability brought to world economic, in preparing the financial statements, management analysed main estimates and critical accounting judgments, as well as any other balances that could have a potential impact.

The main analysis and conclusion reached is disclosed below:

a) Impairment of non-financial assets, including goodwill:

It is very uncertainty the impact in supply, demand and prices as the COVID-19 pandemic is still advancing in several regions, mainly in south hemisphere, and it is unpredictable the duration of the restrictions, outbreaks and economic and social impacts. Management reviewed the impairment analysis prepared to support the consolidated financial statements for the year ended December 31, 2019, performing sensitive analysis for each Company´s cash generating units based on the best information available (see Note 9), and concluded that the assessment performed for year-end is still valid and no additional impairment adjustments were necessary.

The sensitive analysis mainly involved adjustments in sales premises based on each cash generation units (“CGU”)´s expectation and other macro-economic assumptions, such as currency curves. Our business in Egypt, where we recognized impairment provisions as of December 31, 2019, was not significantly impacted, therefore, Management concluded that no change is necessary in the impairment amount already recognized at year-end. All other business units demonstrated capacity to absorb the impacts already incurred and the ones we expect based on the more recent information available.

b) Recoverability of deferred tax assets:

Based on the assessment performed for recoverability of non-financial assets mentioned above, along with the conservative Management´s position in the recognition of deferred tax assets and the conclusions reached for the year ended December 31, 2020, Management did not identify the need to recognize any impairment of the deferred tax assets for the period ended March 31, 2020.

c) Revision of allowance for doubtful accounts:

Management reassessed the assumption related to the risk of defaults by its clients by each business units in order to determine if the allowances for doubtful accounts reflected Management´s expected losses, which are based on historical loss for each aging list bucket and prospective data. The prospective data are obtained from Legal, Credit and Accounts Receivable departments. Furthermore, Management implemented more restrictive rules to authorize new sales.

Until the issuance of the interim financial statements, the Company has not observed a significant change in the assessed risks of its portfolio that could result in a significant increase in its allowance for doubtful accounts as of March 31, 2020, when compared to the amount recorded as of December 31, 2019.

d) Estimated loss on our inventories due to change in realizable value:

The Company carefully reviewed the net realizable value of the inventories, based on estimated sales price, net of expenses related to the sale as a consequence of the COVID-19 crisis. Management is also reviewing its production costs and any abnormal costs identified are immediately recorded as losses within the statements of operations. The abnormal costs are determined comparing recent normal production costs before the crisis to current production costs. As of March 31, 2020, the impact of abnormal costs amounted to approximately US$2,754, primarily in Argentina.

Management´s analysis did not identify material changes in the net realizable value of our inventories, therefore, it was not needed to record an exceptional inventory provision as of March 31, 2020.

e) Compliance with obligations assumed with suppliers (onerous contracts), including leasing contracts (IFRS16):

As of March 31, 2020, Company did not breach, renegotiated or cancelled any contract that would require an obligation to be recorded. Subsequently, Management reassessed Company´s main contracts, especially those denominated "take-or-pay", and, as of the issuance of interim financial statements, did not identify any instance that would indicate an obligation would arise as a consequence of a breakage, renegotiation or cancelation of contracts and main contracts obligations are being fulfilled.

Therefore, no addition provision resulted from Management´s assessment as a consequence of COVID-19 crisis.

f) Government grants and restructuring:

Up to March 31, 2020, the Company did not receive at the locations we operate any Government grants or other type of incentive due to COVID-19 crisis.

Furthermore, the Company did not perform or communicate any restructuring that would require the recognition of additional obligations.

Considering the analysis of the information and data mentioned above, the Company did not identify any other potential impact due to COVID-19 crisis that would require assessments in preparing the condensed consolidated interim financial information.

2. Basis of Preparation and Significant Accounting Policies

2.1. Basis of preparation

The Condensed Consolidated Interim Financial Information as of and for the three-month periods ended March 31, 2020 has been prepared based on the International Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), which allows the entities to present selected notes to the financial statements, in cases of redundant information already disclosed in the Annual Financial Statements. Accordingly, this Interim Financial Information should be read together with Company´s consolidated financial statements for the year ended December 31, 2019.

All relevant information in the financial statements is being evidenced and corresponds to that used by the management in the conduction of the Company.

2.2. Significant accounting policies

The accounting policies adopted are consistent with those considered in the consolidated financial statements for the year ended as of December 31, 2019 and disclosed in the corresponding notes.

Reference also to the application of hyperinflation accounting for our Argentinean subsidiaries. As described in the consolidated financial statements as of and for the year ended December 31, 2019, note 2.1, applying IAS 29 rules requires that the financial statements recorded in a hyperinflationary currency are adjusted by applying a general price index and expressed in the measuring unit (the hyperinflationary currency) current at the end of the reporting period prior to conversion to the Company´s functional currency.

As a result of the above, our condensed consolidated interim financial information for the period ended March 31, 2020, reflects an equity increase of US$51,529 (US$45,189 for the period ended March, 31, 2019), with reference to the opening balance, reported in other comprehensive income (loss), and also the monetary adjustment for the three-month periods ended March 31, 2020, presented in financial income, in the amount of US$1,885 (US$5,184 for the period ended March 31, 2019) (see Note 18).

2.3. Portugal and Cape Verde Discontinued Operations

As described in the consolidated financial statements as of and for the year ended December 31, 2019, Note 1, on January 17, 2019 the final closing agreement was signed to sell the business operations in Portugal and Cape Verde to "Ordu Yardimlasma Kurumu" (OYAK Group) of Turkey.

The final selling price of US$806,181 for the transaction was determined. As required by International Financial Reporting Standard 5 ("IFRS 5") – Non-Current Assets Held for Sale and Discontinued Operating Units, the results recorded was presented as discontinued operation.

The impacts in condensed consolidated interim financial information as of March 31, 2019 are the following:

	03.31.2019 (Recasted)
DISCONTINUED OPERATIONS	
Gain on the sale of "Assets held for sale"	163,229
Reversal of accumulated exchange differences	193,468
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	356,697
PROFIT FOR THE PERIOD ATTRIBUTABLE TO	
Company's owners	351,472
Non-controlling interests	5,225

The reconciliation of the referred selling price to the cash received and the amounts presented in the cash flow statements is demonstrated below.

	03.31.2019 (Recasted)
Cash received as of March 31, 2019	716,606
Cash balance carved-out	(67,247)
	649,359
Intersegment payments to carved-out companies	(118,080)
Cash received, net (as of March 31, 2019)	531,279
Final sales price	806,181
Intercompany working capital adjustment	3,576
Outstanding amount to be received as of March 31, 2019	93,151

As of March 31, 2020 and December 31, 2019, the outstanding cash was fully collected.

2.4. Functional, reporting and presentation currencies

"The Company's functional currency is the Brazilian real (R$). As prescribed by IAS 21, paragraph 38 - The Effects of Changes in Foreign Exchange Rates, the Company may present its financial statements in any currency. As such, considering (i) the fact the Brazilian Real presents certain challenges for benchmarking certain business operations; (ii) that world trade reference prices for clinker and cement are in U.S. Dollars, and; (iii) the ongoing negotiations with Company's creditors and the rising interests from our stakeholders on financial information to be presented in U.S. Dollars, which currency is a benchmark that trades against other major currencies (including Euro, Japanese yen, and British pound), the Company decided to change the presentation currency of the consolidated financial statements from Euro to U.S. Dollars.

Accordingly, the condensed consolidated interim financial information as of and for the period ended March 31, 2020, previously prepared in Euro and issued on June 11, 2020, are now being presented in U.S. Dollars (identified as "Recasted" in the financial information). Considering the fact the change in the presentation currency represents a change in accounting policies, the comparative information were also presented using the same presentation currency following requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Additionally, all amounts expressed in the disclosure notes with reference to U.S. Dollars for the three months period ended March 31 2020 and 2019 were also "Recasted".

For the translation into the presentation currency, changes in equity were translated from functional currency considering the historical exchange rates of each transaction. The financial position financial information were translated from functional currency considering the closing exchange rates of each reporting year, while the operations and cash flows were translated considering the average exchange rates of each reporting year".

The main exchange rates used to translate the financial information were as follows:

		Closing exchange rate (R$)			Average exchange rate (R$)	
Currency		03.31.2020	12.31.2019	03.31.2019	03.31.2020	03.31.2019
USD	US Dollar	5.19870	4.03070	3.89670	4.41416	3.77187
EUR	Euro	5.72640	4.53050	4.37600	4.86286	4.28293
MZN	Mozambique Metical	0.07771	0.06592	0.06156	0.06880	0.06070
EGP	Egyptian Pound	0.33130	0.25190	0.22550	0.28569	0.21711
ZAR	South African Rand	0.29260	0.28760	0.27010	0.29050	0.26865
ARS	Argentinian Peso (*)	0.08064	0.06730	0.08989	0.08064	0.08989
PYG	Paraguayan Guaraní	0.00079	0.00062	0.00063	0.00067	0.00062

(*) As a result of the application of IAS 29, non-monetary assets and liabilities, shareholders' equity and income statement of subsidiaries operating in highly inflationary economies shall be expressed in terms of the unit of measurement current at the balance sheet date and translated at the period-end exchange rate (rather than the average rate), thus resulting in year-to-date effects on the income statement of both inflation and currency conversion.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainties

Estimates and judgments are continually evaluated and are based on historical experience and on other factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no changes in relation to what was presented in Note 2.3 to the Company's consolidated Financial Statements as of December 31, 2019.

Our analysis on the COVID-19 crisis is stated in Note 1 above.

4. Cash and Cash Equivalents

	03.31.2020 (Recasted)	12.31.2019
Cash and bank accounts (*)	66,859	195,569
Short-term investments	100,306	138,300
Total cash and cash equivalents	167,165	333,869

(*) In 2019, includes an amount of US$12,135 related to Portugal and Cape Verde sales (Note 2.3).

Short-term investments were as follows:

	03.31.2020 (Recasted)	12.31.2019
Certificate of Bank Deposit (CDBs)	22,637	26,465
Short Term Investment in Brazilian Reais (a)	35,987	62,341
Fixed-income funds in Brazilian Reais (b)	7,212	18,648
Short-term investments in foreign subsidiaries:		
Investment fund in Argentinean pesos (c)	19,825	15,549
Short-term investments in US dollars (d)	1,475	1,475
Short-term investments in euro	3	15
Short-term investments in Egyptian pounds	1,947	1,134
Short-term investments in South African rand (e)	11,220	12,673
Total short-term investments	100,306	138,300

a) Short-term investments in Brazilian Reais have a yield between 70% and 99.70% of the Interbank Deposit Certificate (CDI) (70% and 98.75% as of December 31, 2019).
b) Fixed income funds in Brazilian Reais have a yield of 71.1% of the Interbank Deposit Certificate (CDI), (100% as of December 31, 2019).
c) Represents short-term investments in Argentinean pesos with interest of 49.5% per annum (49.7% per annum as of December 31, 2019).
d) Short-term investments in US Dollars with yields of 0.1% to 0.18% per annum (0.1% to 0.61% per annum as of December 31, 2019).
e) Deposit in Rands yielded interest from 5.05% to 5.30% per year (6.30% to 6.55% as at December 31, 2019).

Short-term investments are available for immediate withdraws, without significant risks of changes.

5. Securities

Securities are classified as financial assets, as follows:

	03.31.2020 (Recasted)	12.31.2019
Market investments	1,060	1,676
Investment funds	17,148	19,267
Total	18,208	20,943
Total - current	17,148	19,516
Total - noncurrent	1,060	1,427

"Market investments" are held by the Brazilian subsidiaries, which are composed mainly by escrow accounts that do not bear interests.

"Investment funds" consist in a portfolio of investment funds held by InterCement Reinsurance, which is presented at fair value as of March 31, 2020 and December 31, 2019. The funds resulted in an unrealized loss of US$1,734 for the period ended March 31, 2020 (US$0,929 unrealized gain for the period ended March 31, 2019).

6. Trade Receivables

	03.31.2020 (Recasted)	12.31.2019
Current		
Domestic and foreign customers	107,738	99,051
(-) Allowance for doubtful accounts	(20,289)	(23,561)
Trade receivables	87,449	75,490
Noncurrent		
Domestic and foreign customers	959	1,285
(-) Allowance for doubtful accounts	(644)	(781)
Trade receivables	315	504

As of December 27, 2019, the Company derecognized receivables in the amount of US$22,537 at a marginal discount, due to corresponding securitization with a financial institution (true sale). No similar financial transaction was performed during the first quarter of 2020.

7. Inventories

	03.31.2020 (Recasted)	12.31.2019
Current:		
Finished products	17,536	24,224
Work in process	83,381	81,144
Raw material	41,796	51,979
Fuel	36,534	32,529
Spare parts	99,039	100,385
Advances to suppliers	6,284	1,198
Packaging and other	4,792	4,507
Allowance for losses	(13,886)	(16,863)
Total	275,476	279,103
Noncurrent:		
Raw material	56,371	41,649
Spare parts	33,071	39,434
Packaging and other	30	30
Allowance for losses	(597)	(506)
Total	88,875	80,607

8. Property, Plant and Equipment

	03.31.2020 (Recasted)			12.31.2019
	Cost	Depreciation & Impairment	Net book value	Net book value
Land	95,956	(36,902)	59,054	70,402
Buildings	607,482	(360,482)	247,000	277,791
Machinery and equipment	1,657,953	(951,693)	706,260	814,498
Vehicles	106,477	(78,257)	28,220	30,442
Furniture and fixtures	31,021	(28,528)	2,493	2,340
Mines and ore reserves	156,821	(109,714)	47,107	46,513
Reservoirs, dams and feeders	54,009	(19,587)	34,422	45,044
Spare parts	4,456	(1,873)	2,583	3,237
Other	16,105	(9,473)	6,632	7,342
Advances to suppliers	20,776	-	20,776	24,870
Construction in progress	483,171	(120,160)	363,011	368,310
Total	3,234,227	(1,716,669)	1,517,558	1,690,789

Construction in progress includes the construction of the new L´Amalí II cement plant in the city of Olavarría, province of Buenos Aires, in Argentina business area, with a total investment of US$270,204 (ARS17,419,773) as of March 31,2020. The conclusion is expected to occur during the 1st quarter of 2021. It also includes impairment losses in Brazil business area, of US$120,160 (US$154,804 as of December 31, 2019) due to expansion projects production lines that were ceased for an undetermined period due to current demand. Such impairment losses are revised on an annual basis and might be reversed once the expansion projects are finalized.

In the Argentina and Paraguay business area and Brazil business area, as of March 31, 2020, there are assets given as collateral for loans obtained for their own acquisition in the amount of approximately US$38,574 and US$3,569 respectively (US$50,365 and US$4,603 as of December 31, 2019).

In addition, in Brazil business area, two cement plants were given as guarantee in the “CADE” process, as referred in Note 12.

During the three months periods ended March 31, 2020, the Company capitalized interest expenses amounting to US$1,557, related to loans granted to finance eligible assets.

Construction in progress and advances to suppliers as of March 31, 2020 and December 31, 2019, refers basically to investments in the expansion and construction on new units and investments in the improvement of facilities and equipment of the cement plants of other business units.

For the three months periods ended March 31, 2020 and 2019 impairment losses were booked in the amount of US$172 and US$176, respectively.

Changes in property, plant and equipment were as follows:

	Land	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Mines and ore reserves	Reservoirs, dams and feeders	Spare parts	Other	Construction in progress	Advances to suppliers	Total
Balance as of December 31, 2018	41,461	282,655	860,586	36,685	4,054	78,000	49,522	4,848	4,191	160,152	24,295	1,546,449
Effects of IAS 29 (Note 2.2)	909	14,863	18,007	3,533	107	4,959	-	-	79	9,517	-	51,974
Additions	-	-	113	-	-	463	2	-	-	78,332	212	79,122
Disposals	(391)	(110)	(7)	(3)	(5)	-	-	-	-	-	(2)	(518)
Depreciation	(1,637)	(5,418)	(24,686)	(2,236)	(213)	(5,922)	(691)	-	(325)	-	-	(41,128)
Impairment provision	-	-	-	-	-	-	-	-	-	(176)	-	(176)
Effect of changes in exchange rates	(1,037)	(19,388)	(27,601)	(4,311)	(102)	(5,825)	(256)	(32)	(321)	(16,232)	(11)	(75,116)
Transfers	26,067	(1,286)	12,239	542	(1,238)	(16,562)	-	147	2,303	(22,108)	-	104
Balance as of March 31, 2019 (Recasted)	65,372	271,316	838,651	34,210	2,603	55,113	48,577	4,963	5,927	209,485	24,494	1,560,711
Balance as of December 31, 2019	70,402	277,791	814,498	30,442	2,340	46,513	45,044	3,237	7,342	368,310	24,870	1,690,789
Effects of IAS 29 (Note 2.2)	604	9,305	11,771	2,008	55	3,574	-	-	49	20,421	-	47,787
Additions	-	8	1,403	8	-	-	-	-	488	22,581	341	24,829
Disposals	(5)	(115)	-	(408)	(14)	-	-	-	-	-	-	(542)
Depreciation	(57)	(5,815)	(22,921)	(2,370)	(200)	(4,308)	(591)	(112)	(226)	-	-	(36,600)
Impairment provision	-	-	-	-	14	-	-	-	-	(172)	-	(158)
Effect of changes in exchange rates	(11,890)	(37,972)	(104,252)	(2,273)	(193)	(2,853)	(10,031)	(740)	(1,567)	(32,357)	(4,435)	(208,563)
Transfers	-	3,798	5,761	813	491	4,181	-	198	546	(15,772)	-	16
Balance as of March 31, 2020 (Recasted)	59,054	247,000	706,260	28,220	2,493	47,107	34,422	2,583	6,632	363,011	20,776	1,517,558

Additions

During the first quarter there were additions in the amount of US$24,829, from which US$17,683 refers to Argentinean business area (US$71,195 of addition in Argentina during the period ended March 31, 2019), primarily due to the increase of the installed capacity at its L'Amalí plant, amounting to US$8,483 (US$59,727 for the period ended March 31, 2019), US$3,305 related to quarry recovery (US$5,450 for the period ended March 31, 2019), and US$0,661 with the expedition line in Zapala plant.

9. Other intangible assets and goodwill

	03.31.2020 (Recasted)	12.31.2019
Other intangible assets:		
Software licenses	4,625	5,595
Concession-related assets	86,511	112,389
Mining rights	9,887	12,488
Project development costs	3,134	3,608
Trademarks, patents and others	17,565	16,628
	121,722	150,708

	03.31.2020 (Recasted)			12.31.2019
	Cost	Impairment	Net book value	Net book value
Goodwill:				
Loma Negra C.I.A. S.A.	185,736	-	185,736	239,558
CBC - Companhia Brasileira de Cimentos ("CBC")	19,742	-	19,742	25,463
Cia. Industrial e Mercantil de Cimentos S.A. ("CIMEC")	14,581	-	14,581	18,806
Intercement Portugal, S.A.	918,410	(308,991)	609,419	774,787
Other	13,710	-	13,710	17,559
	1,152,179	(308,991)	843,188	1,076,173

Goodwill is subject to impairment tests annually and whenever there are indications of possible impairment, which is prepared based on the recoverable amounts of each of the corresponding business segments. As of March 31, 2020, due to COVID-19, there were trigger that would require an impairment provision to be recorded.

Impairment analysis

Whenever there is impairment indicatives, Management reviews assumptions underlying to the determination of recoverable amount of liquid assets, considering the estimates of future cash flows which reflect, among others, a set of estimates related to the market growth, market share, investments and costs.

Due to significant uncertainties brought by COVID-19 crisis (see Note 1 above), the exercise to determine the appropriate long-term assumptions is considerable challenging and requires significant Management´s judgment.

Based on the cash flow projection prepared to test impairment for the year ended December 31, 2019, which the conclusion reached was an impairment recognition in the Egypt business of US$20,146 (see

Note 9 of the consolidated financial statements as of and for the year ended December 31, 2019), Management reviewed the projected sales, costs and capital expenditures in order to consider expected impacts in the cash flow due to COVID-19.

The determination of the value in use was based on discounted cash flows calculated in local currency, using the corresponding Weight Average Capital Cost (“WACC”) and perpetuities rates for each segment business, as follows:

	03.31.2020 (Recasted)		12.31.2019	
Segments	**Goodwill**	**"WACC" rate (*)**	**Goodwill**	**"WACC" rate (*)**
Brazil	528,717	8.13%	681,927	8.18%
Argentina and Paraguay	186,162	68.86% - 10.82%	239,983	67.28% - 10.97%
Egypt	5,390	15.97%	5,285	15.97%
Mozambique	39,458	13.86%	43,171	14.29%
South Africa	83,461	9.95%	105,807	10.10%
	843,188		1,076,173	

(*) Discount rate calculated after taxes. For Argentina business area, due to hyperinflationary environment, “WACC” rate is built through a multi-year composition, referring to the first year of the projection, and varies thereafter according to the inflation rate and country risk premium variations (“Rolling WACC”).

In addition, due to rising economic uncertainties in Argentina, the Group added a “Specific Risk” factor of 4,0% in Argentina business area, which would not result in impairment though.

Furthermore, as of March 31, 2020, the Group calculated the eventual impact (sensibility) of a 0.5%, 1.0% and 1.5% change in discount rate and in the EBITDA margin in relation with all the business areas projections and the results (“Recasted”), as detailed below:

	Recasted					
Impact on DCF (Recasted)	**+0.5%**	**-0.5%**	**+1.0%**	**-1.0%**	**+1.5%**	**-1.5%**
"WACC" rate	(267,291)	325,320	(491,235)	731,171	(681,854)	1,254,069
Impairment (EGY)	(5,202)	-	(13,471)	-	(20,891)	-
Impairment (BR)	-	-	-	-	(99,425)	-
Impairment (AR)	-	-	-	-	(6,801)	-
Total	(5,202)	-	(13,471)	-	(127,117)	-
EBITDA margin	86,497	(86,497)	172,994	(172,994)	259,491	(259,491)
Impairment (EGY)	-	(1,352)	-	(6,772)	-	(12,192)

Management considers the basis scenario as the best estimates and, therefore, did not record any impairment based on the stress testing.

Changes in intangible assets for the three months periods ended March 31, 2020 and 2019 were as follows:

	Software licenses	Concession-related assets	Mining rights	Project development costs	Trademarks, patents and others	Goodwill	Total
Balance as of December 31, 2018	6,244	21,136	124,431	4,641	20,969	1,128,142	1,305,563
Effects of IAS 29 (Note 2.2)	230	-	-	-	402	-	632
Additions	101	57	-	169	-	-	327
Disposals	-	(10,563)	-	-	(2,334)	-	(12,897)
Amortization	(678)	(2,521)	(95)	(475)	(93)	-	(3,862)
Effect of changes in exchange rates	(277)	(3,452)	2,969	3	(20)	(6,426)	(7,203)
Transfers	-	114,903	(114,903)	-	-	-	-
Balance as of March 31, 2019 (Recasted)	5,620	119,560	12,402	4,338	18,924	1,121,716	1,282,560
Balance as of December 31, 2019	5,595	112,389	12,488	3,608	16,628	1,076,173	1,226,881
Effects of IAS 29 (Note 2.2)	152	-	-	-	-	31	183
Additions	77	2,608	-	2,521	1,494	-	6,700
Disposals	-	(760)	-	-	-	-	(760)
Amortization	(555)	(3,049)	(88)	(2,232)	(57)	-	(5,981)
Effect of changes in exchange rates	(644)	(24,677)	(2,513)	(763)	(500)	(233,016)	(262,113)
Balance as of March 31, 2020 (Recasted)	4,625	86,511	9,887	3,134	17,565	843,188	964,910

10. Borrowings and Financing

							03.31.2020 (Recasted)		12.31.2019	
Functional Currency	Business unit	Type of financing	Currency	Annual Interest rates	Maturity		Current	Noncurrent	Current	Noncurrent
EUR	Holdings and Financial Vehicles (*)	Bilateral (**)	USD	US Libor + 3.10% - 4.40%	Jan/22-Jan/23	a)	102,031	115,000	50,782	173,546
EUR	Holdings and Financial Vehicles (*)	Bilateral (**)	USD	US Libor + 3.95%	Feb-24		-	160,264	-	159,452
EUR	Holdings and Financial Vehicles (*)	Bilateral (**)	EUR	Euribor + 3.60%	Feb-24		45,901	170,231	-	220,587
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	2.55%	Jun-20		5,508	-	5,620	-
EUR	Holdings and Financial Vehicles (*)	Bilateral	EUR	3.20%	Oct-21		3,029	18,175	3,091	18,546
EUR	Holdings and Financial Vehicles (*)	Commercial paper (**)	EUR	2.80%	Mar-20		-	-	39,340	-
BRL	Holdings and Financial Vehicles (*)	Billateral	BRL	126% CDI	Apr-23		-	37,823	-	49,297
BRL	Holdings and Financial Vehicles (*)	Promissory note	BRL	3% + 100% CDI	Mar-21		22,121	-	-	-
ARS	U.N. Argentina Paraguay	Billateral	USD	US Libor + (4.25% to 7.38%)	Several		38,538	51,278	36,074	42,555
ARS	U.N. Argentina Paraguay	Bilateral	USD	9.11% - 9.50%	Several		11,222	-	11,505	-
ARS	U.N. Argentina Paraguay	Billateral	EUR	4.00%	Apr-Sep/20		-	11,976	-	9,047
PYG	U.N. Argentina Paraguay	Billateral	PYG	8.5% - 9.00%	Aug-25		-	38,327	5,260	43,385
ARS	U.N. Argentina Paraguay	Billateral	ARS	8.00% + Badlar	Mar-21		38,757	7,750	-	16,697
ARS	U.N. Argentina Paraguay	Working capital	ARS	35% - 89%	Apr-20		59,933	-	34,845	-
BRL	U.N. Brazil	Subsidised loan	BRL	2.50% - 5.00%	Dec-24		2,138	7,736	2,886	9,988
BRL	U.N. Brazil	Billateral	BRL	15.34%	Dec-22		545	2,474	551	3,207
EGP	U.N. Egypt	Billateral	EGP	Corridor + 1.50%	Jun-20		608	4,556	671	4,152
EGP	U.N. Egypt	Billateral	EGP	15.50% - 17.00%	Apr-Nov/20		33,255	-	30,038	-
							363,586	625,590	220,663	750,459

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate and trading entities.

(**) The borrowings contain certain restrictive financial covenants, which are described below.

(a) In January 2020, the Company and the lenders entered into agreement to extend the US$44,056 amortization of the Bilateral Loan contracted by Caue Austria Holding that was due on January 31, 2020 to March 31, 2020. In addition, on March 2020, a new agreement extended this amortization to June 30, 2020. The extensions are also part of the Debt refinancing program that Management designed with the Company´s main lenders (Note 24).

As of March 31, 2020 and December 31, 2019, the incurred interest related to those financing agreements classified in current liabilities and presented as 'Interest payable' amount to US$6,615 and US$19,298 respectively.

Changes in Borrowings and Financing in the three months periods ended March 31, 2020 and 2019 were as follows:

	Borrowings and financing
Balance at December 31, 2018	1,190,789
New borrowings and financing	29,972
Payments	(244,960)
Effect of changes in exchange rates	(1,269)
Balance at March 31, 2019 (Recasted)	974,533
Balance at December 31, 2019	971,122
New borrowings and financing	130,661
Payments	(83,599)
Effect of changes in exchange rates	(29,008)
Balance at March 31, 2020 (Recasted)	989,176

Maturity schedule

As of March 31, 2020, the noncurrent portion of the borrowings and financing mature as follows:

Period	03.31.2020 (Recasted)
2021	131,606
2022	205,067
2023	167,463
Following years	121,454
	625,590

Covenants

The loans and financing agreements contain certain restrictive covenants, including change of control clauses and those requiring the maintenance of certain financial ratios.

The Company and its subsidiaries monitor these ratios systematically and constantly to make sure the requirements are met. Such measurements are performed annually, which depends on conditions agreed upon on each contract entered into with the financial institutions. The Company agreed with the financial institutions the increase of Net Debt / Adjusted EBITDA ratio from 4.5 to 5.5 for 2019 measurement. Subsequently to March 31, 2020 and before the issuance of the financial statements, as part of the debt refinancing, the covenants were amended. Refer to note 24 below for covenants metrics.

As of December 31, 2019 the covenants conditions were met, and such obligation in accordance with the amended covenants will only be measured again based on the financial figures as of December 31, 2020.

11. Debentures

Functional Currency	Business unit	Instrument	Currency	Issue date	Annual interest rate	Final maturity		03.31.2020 (Recasted) Current	03.31.2020 (Recasted) Noncurrent	12.31.2019 Current	12.31.2019 Noncurrent
BRL	Brazil	Debenture - Brazil	BRL	Mar-12	115% - CDI	Apr-22	(b)	42,441	85,128	54,655	109,363
BRL	Brazil	Debenture - Brazil	BRL	Aug-12	115% - CDI	Aug-22	(c)	96,062	96,151	123,968	124,010
EUR	Holdings and Financial Vehicles (*)	Senior Notes	USD	Jul-14	5.75%	Jul-24	(a)	-	532,009	-	548,117
								138,503	713,288	178,623	781,490

(*) Takes into consideration the set of companies included in the holding companies segment and business support, corporate, and trading entities.

(a) In July 2014, the Senior Notes ("Notes") were issued by InterCement Financial Operations, B.V., with a payment maturity of 10 years. The notes were launched with coupon of 5.75% per annum and are listed at the Singapore Stock Exchange. As of March 31, 2020, and December 31, 2019, the Group holds bonds at the face value of US$198,812.

(b) In April 2020, InterCement Brasil S.A. the Management agreed with debenture holders to extend the amortization of the 2º issuance of Debentures in the amount of US$42,319 (R$220,000 thousand) that was due on April 19, 2020 to July 15, 2020. The extension was part of the Debt refinancing program that Management designed with the Company´s main lenders (Note 24).

(c) In November 2019, Management agreed with debenture holders to extend the amortization of US$48,088 (R$250,000 thousand) that was due on November 21, 2019 to January 21, 2020. On January 17, 2020, a new agreement extended the amortization to April 16, 2020. On April 14, 2020 another agreement extended the amortization to July 16, 2020. The extensions were also part of the Debt refinancing program that Management designed with the Company´s main lenders (Note 24).

As of March 31, 2020, and December 31, 2019, the incurred interest classified in current liabilities and presented as 'Interest payable' amount to US$14,442 and US$8,334, respectively.

Changes in Debentures in the three months periods ended March 31, 2020 and 2019 were as follows:

	Debentures
Balance at December 31, 2018	1,029,588
Effect of changes in exchange rates	(2,410)
Balance at March 31, 2019 (Recasted)	1,027,178
Balance at December 31, 2019	960,113
Effect of changes in exchange rates	(108,322)
Balance at March 31, 2020 (Recasted)	851,791

Maturity schedule

As of March 31, 2020, the non-current portion of debentures mature as follows:

Period	03.31.2020 (Recasted)
2021	85,687
2022	85,687
Following years	541,914
	713,288

Covenants

Debentures contain certain restrictive covenants that require compliance with financial ratios calculated based on the Company's consolidated financial statements.

As of December 31, 2019, the Company agreed with the local debenture holders the increase of Net Debt / Adjusted EBITDA ratio from 4.5 to 5.5 for 2019 measurement. Subsequently to March 31, 2020 and before the issuance of the financial statements, as part of the debt refinancing, the covenants were amended. Refer to note 24 below for covenants metrics.

As of December 31, 2019, covenants conditions were met and such obligation will only be measured again based on the financial figures as of December 31, 2020, based on the amended covenants.

In the case of the Senior Notes, the non-compliance with that covenant (ratio of 4.5) foresees that the Company operates with certain restrictions, being the principal ones:

i) Limitation in US$500,000 for new debts, provided it is not used to refinance the existing debt;
ii) Restrictions on certain payments, such as dividends to shareholders above the statutory minimum legal required amount;
iii) Dividends limitation of US$25,000 per year, on a cumulative basis, for preferred shareholders after the Senior Notes issuance (July/2014).

As of March 31, 2020, Company is in compliance with the restrictions imposed. Such restrictions are maintained until the next measurement period, based on the financial figures for the year to be ended December 31, 2020.

12. Provisions and contingent assets and liabilities

Provisions

The Group is subject to tax, civil, labor and other risks. Management periodically reviews known contingencies, assesses the likelihood of losses and recognizes corresponding provision based on its legal counsel's opinion and other available data at the date of the reporting period.

The provision for risks is demonstrated as follows:

	03.31.2020 (Recasted)	12.31.2019
Labor and social security	5,756	6,963
Tax (a)	16,469	17,013
Civil and other (b)	37,861	37,835
	60,086	61,811
Escrow deposit (c)	(2,208)	(2,840)
Total	57,878	58,971

(a) Brazil: Refer basically to tax assessment notices and lawsuits amounting to US$1,779 (US$2,294 as of December 31, 2019) related to discussions on: i) absence of Value Added Tax ("ICMS") collection and improper credits taken in a variety of operations, including import of goods carried out through trading companies; (ii) improper compensation of income tax and social contribution; and (iii) absence of services tax (ISS) collection in a variety of services provided.

InterCement Portugal: Refers basically to the provisions for tax risks related to income tax, amounting to US$6,224 as of March 31, 2020 (US$6,351 as of December 31, 2019), which are being challenged in courts.

Egypt: Refers basically to tax provisions related to income tax matters between the calendar years 2004 and 2016, in the amount of US$8,164 (US$7,574 in December 31, 2019), which are being challenged at court.

(b) Egypt: Includes mainly a provision related to a dispute about the requirement of an industrial license and corresponding interest and monetary accretion totalling US$34,499 (US$33,831 on December 31, 2019).

(c) The Group have escrow deposits related to the provision for tax, civil and labor risks as follows:

	03.31.2020 (Recasted)	12.31.2019
Labor and social security	1,615	2,079
Tax	580	745
Civil and other	13	16
Total	2,208	2,840

Changes in the provision for risks for the three months periods ended March 31, 2020 and 2019 are as follows:

	Labor and social security	Tax	Civil and other	Escrow deposit	Total
Balance as of December 31, 2018	9,966	19,736	35,114	(3,087)	61,729
Effects of IAS 29 (Note 2.2)	130	68	91	-	289
Recognition/deposit	243	59	332	(344)	290
Payment	(258)	(1,034)	(298)	400	(1,190)
Reversal	(8)	(875)	(31)	-	(914)
Exchange differences	(225)	167	985	16	943
Balance as of March 31, 2019 (Recasted)	9,848	18,121	36,193	(3,015)	61,147
Balance as of December 31, 2019	6,963	17,013	37,835	(2,840)	58,971
Effects of IAS 29 (Note 2.2)	105	72	23	-	200
Recognition/deposit	100	32	(145)	(21)	(34)
Payment	(192)	(128)	(299)	15	(604)
Reversal	-	-	(51)	-	(51)
Exchange differences	(1,220)	(520)	498	638	(604)
Balance as of March 31, 2020 (Recasted)	5,756	16,469	37,861	(2,208)	57,878

Contingent liabilities

In the normal course of its business the Group is involved in several legal cases and complaints relating to its labor and social security, tax, civil and other natures, which the likelihood of loss is assessed as possible or less likely than not for uncertain income tax positions in light of IFRIC 23.

As of March 31, 2020, the Group has an exposure of US$911,966 (US$1,177,867 as of December 31, 2019), being US$13,218 of contingent liabilities related to labor contingencies (US$14,612 as of December 31, 2019), US$688,360 of tax contingencies, including uncertain income tax position as per IFRIC 23 assessment (US$896,867 as of December 31, 2019), US$210,388 of civil contingencies and administrative processes of other natures (US$266,388 as of December 31, 2019), whose likelihood of loss was considered possible, according to the opinion of our legal counsel.

The most significant of the contingencies are:

Brazil

a) Tax

The tax contingencies, in the approximately amount of US$578,876 (US$785,306 as of December 31, 2019) refer mainly to administrative and judicial proceedings related to: (i) disallowance of credits for allegedly undue deduction of the IRPJ and CSLL calculation base, as goodwill amortization resulting from the acquisition of other companies; (ii) collection of IRPJ and CSLL, based on the fact that the Company would no longer offer to tax profits earned abroad by subsidiaries and affiliated entities; (iii) collection of alleged difference or non-payment of CFEM, a financial compensation paid to the Federal Government for the economic use of mineral resources; (iv) several discussions related to the ICMS: rate differential, absence of payment in different operations, applicability of tax agenda and transfer of goods between plants of the same taxpayer, improper credits taken upon intermediate materials and fixed assets considered for use and consumption; (v) non-ratified IRPJ credit compensation resulting from the improper application of the tax incentive granted by Authorities and credits resulting from the lower calculation of the negative tax balance; (vi) undue PIS and COFINS credit resulting from freight expenses on goods transfers between industrial plants and distributors; (vii) taxation of interest on capital; and (viii) non-collection of the Property Transfer Tax ("ITBI") on mergers transactions.

b) Civil

The main lawsuits relate to: (i) reparation of damages due to contractual breach; (ii) indemnity for accidents at work in the civil sphere and for undue collection; (iii) non-compliance with operating license conditions and alleged lack of licensing; (iv) air and soil pollution; and (v) infraction against the economic order ("CADE), as described below:

Administrative Council for Economic Defence ("CADE")

The Company, along with other companies in the industry, is part of administrative proceedings related to antitrust regulation in progress at the Administrative Council for Economic Defense ("CADE"). In July 2015, CADE's tribunal judged the administrative appeal presented by the Group under the process initiated in 2007 regarding competition in Brazil (as well by other involved companies), maintaining the condemnation decision about cartel formation and the imposition of a pecuniary fine and other accessory penalties. As of March 31, 2020, the fines imposed to the Group corresponds to US$153,072 (R$795,774 thousand), equivalent to US$194,748 (R$784,971 thousand) as of December 31,2019, besides the obligation to sell 20% of its installed capacity of the concrete assets in the relevant Brazilian markets in which the Company operates, among other accessory penalties.

After the referred administrative CADE's decision became final, the Group appealed judicially, having obtained, on October 22, 2015, the grant of the preliminary injunction to suspend all penalties imposed by CADE, by the presentation of real guarantees (two plants), until the final judgment decision. Such preliminary injunction decision was judicially appealed by CADE, and was rejected. The proceeding did not have any significant change until March 31, 2020. Based on the opinion of the legal advisors, the risk of loss in court has been considered as possible, therefore, no provision was recorded for this contingent liability.

Spain

As a result of the tax inspections of the years 2005 to 2008, tax assessments of approximately US$132,181 (US$134,880 as of December 31, 2019) were issued against the Company related essentially to net financial items resulting from interpretations not adjusted to the nature of certain transactions. Based on opinion of the legal advisors, the risk of loss in court was considered as possible. During September 2019, the Supreme Court's ruled the dispute and the decision was favourable to the Company, therefore the tax assessment was cancelled.

During the second half of 2014, the Spanish tax authorities began inspecting the years 2009 to 2012 related to the same matters in dispute as mentioned previously. The amounts under dispute are negative taxable income of approximately US$30,842 for 2009 to 2011, and negative taxable income of approximately US$266,564 for 2012 (US$272,008 as of December 31, 2019). Management believes the final decision will be similar to the Supreme Court's ruling on the years 2005 to 2008, which was favourable to the Company.

Portugal

Under the Consolidated Income Tax Regime (RETGS), applicable to the Company and other Portuguese entities of the Group until the year 2000, intra-group results ("eliminated results"), amounting to US$291,899 (€265,000 thousand) as of March 31, 2020 and US$297,860 (€265,000 thousand) as of December 31, 2019, were generated due to tangible fixed assets sales between group companies.

During the ongoing Corporate Income tax (CIT) inspection of the fiscal year 2016, the Tax Authority requested the provision of information relating to such tangible fixed assets sales, with the purpose of assessing the need for possible adjustments to the Group's taxable profit in this fiscal year and in the fiscal years ending on 2017 and 2018, due to the transitional rules successively inserted in the State Budget Laws of the years 2016, 2017 and 2018, which required partial or total incorporation (in the event of termination of the Group) in those years of any taxable income that were still pending from taxation.

On May 12, 2020, a Draft Report was received, incorporating a correction of US$108,968 (€98,926 thousand) to the Group's Taxable base, corresponding to 25% (cf. Law No. 7-A / 2016, of June 30) of the eliminated results calculated by the Tax Authority by reference to December 31, 2015.

Based on the opinion of the Company´s legal advisors, the risk of a favourable outcome of on this dispute is "more likely than not", therefore, no contingency were recorded.

13. Related Parties

Transactions and balances between Group companies consolidated upon the full consolidation method were eliminated in the consolidation process and therefore are not disclosed herein. The balances and transactions between the Group and associated companies and with other related parties fall within normal operational activities, and include advances, loan agreements, sales and purchases of products and services.

In the year ended December 31, 2019 the Company (i) released Capital Reserves in the amount of US$74,742 (R$300,000 thousand) to its parent company, Mover Participações S.A. and sold fixed assets to A.Y.U.S.P.E. Empreendimentos e Participações S.A., which the accounts receivable in the amount of US$4,230 is recorded within "Other Receivables" as non-current assets.

14. Shareholder's Equity

Share Capital

As of March 31, 2020, and December 31, 2019 share capital is represented by 25,046,440 registered shares without par value, of which 22,687,439 are common shares and 2,359,001 are preferred shares Class A.

Capital Reserves - Preferred Shares – InterCement Participações

Class A

The preferred shares (Class A) grant their holders the right to receive minimum dividends, not accumulating losses, do not grant voting rights in the Company's shareholders' meetings, and can be redeemed by decision of the Board of Directors. Any contractual obligations are guaranteed and recorded at Company's controller shareholder; consequently, the Company does not have any contractual obligation assumed with such holders of the preferred shares.

Class B

The preferred shares (Class B) does not grant their holders the right to receive minimum dividends, do not grant voting rights in the Company's shareholders' meetings, and can be redeemed by decision of the Board of Directors.

As previously informed in "Capital section", the dividends to which the Class B Preferred Shares may be entitled has the preference in relation to the common shares issued by the Company. Notwithstanding and with no prejudice, the dividends to which Class A Preferred Shares may be entitled shall have preference over Class B Preferred Shares. Class B Preferred Shares will have no preference in capital reimbursement in relation to common shares, considering the holders of Class B is the final controlled entity of the Company (Mover S.A.).

Earning Reserves

The March 31, 2019 quarter movement relates to the dividend payment below referred. No dividends were declared or paid for the quarter ended March 31, 2020.

Dividends

The holders of common shares are entitled to annual minimum mandatory dividends equivalent to 25% of the profits for the year adjusted as provided for by the bylaws and the Brazilian Corporate Law.

As of March 31, 2019, US$53,497 of dividends were paid to preferred shares Class A.

Non-controlling interests

Other comprehensive income (loss) movements relates to (i) the negative equity recognition of exchange differences arising on the translation of foreign operations in the amount of US$51,124 (negative of US$31,777 as of March 31, 2019) and ii) the positive equity recognition of hedging operations amounting to US$42 (negative of US$23 as of March 31, 2019).

15. Income Tax and Social Contribution

For the three-month periods ended March 31, 2020 and 2019, the reconciliation between the nominal and the effective income tax was as follows:

	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Loss before income tax and social contribution	(1,602)	(40,894)
Tax rate	34%	34%
Income tax and social contribution at statutory rates	545	13,904
Adjustments to calculate income tax and social contribution at effective rates:		
Permanent additions / (deductions), net (a)	9,920	10,967
Unrecorded deferred income tax and social contribution tax (b)	(20,167)	(27,695)
Restatement in homogeneous currency and effect of change in deferred tax rate (c)	(8,400)	(744)
Other	1,664	235
Income tax and social contribution expense	(16,438)	(3,333)
Current Income tax and social contribution expense	(9,981)	(11,284)
Deferred Income tax and social contribution expense	(6,457)	7,951

(a) Includes the effect of the differences in tax rates in other countries were the tax rates differs from 34% and permanent differences adjustments;

(b) Includes the tax effect from losses on entities not recognized due to lack of positive evidences that would enable them to be recovered within a reasonable period of time;

(c) In March 31, 2020, the amount of US$5,461 relates to the impact of monetary adjustment in Argentina due to hyperinflationary economy and US$2,939 relates to the impact in change of tax rate in Argentina.

Deferred income tax and social contribution

Deferred income tax and social contribution were recognized on tax losses carryforwards and temporary differences in the recognition of revenues and expenses between tax and corporate books, to the extent considered realizable by the subsidiaries.

In addition to the income tax charge, in the three-month periods ended March 31, 2020 and 2019, the Group recorded deferred taxes in the amount of US$54 and US$138, respectively, directly in equity.

16. Net Revenue

The breakdown of the Company's net revenues for the years ended March 31, 2020 and 2019 is as follows:

	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Products sold	384,647	418,564
Services provided	23,246	23,021
(-) Taxes on sales	(35,673)	(41,982)
(-) Discounts	(43,225)	(11,185)
Total	328,995	388,418

17. Information on the Nature of the Costs and Expenses Recognized in the Income Statement

The consolidated statements operations are presented based on a classification of expenses according to their function. Information on the nature of such expenses is as follows:

	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Depreciation, amortization and impairment losses	(49,324)	(47,735)
Salaries and employee benefits	(49,689)	(61,740)
Raw materials and consumables	(59,998)	(68,462)
Tax expenses	(5,109)	(9,532)
Outside services	(33,714)	(42,332)
Rental	(1,796)	(2,886)
Freight expenses	(25,553)	(36,735)
Maintenance costs	(19,092)	(23,228)
Fuel	(32,864)	(44,392)
Electricity	(26,411)	(35,501)
Recognition of provision for risks	(449)	(658)
Gain on sale of property, plant and equipment	276	1,653
Other	(8,354)	(9,612)
Total	(312,077)	(381,160)
Cost of sales and services	(277,363)	(330,815)
Administrative and selling expenses	(37,075)	(53,226)
Other income	2,361	2,881
Total	(312,077)	(381,160)

18. Financial Income (Expenses) and Foreign Exchanges Losses (net)

	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Foreign exchange gain (losses), net (a):		
Exchange gain	101,110	30,443
Exchange loss	(86,107)	(52,000)
Total	15,003	(21,557)
Financial income:		
Inflation adjustment	841	1,090
Effects of IAS 29 (b)	1,885	5,184
Financial earnings	1,183	3,735
Interest income	180	253
Derivative financial instruments	411	6,046
Other income	577	399
Total	5,077	16,707
Financial expenses:		
Inflation adjustment	(1,391)	(469)
Expenses on interest and charges	(26,057)	(34,072)
Expenses on banking commissions	(483)	(3,525)
Fines	(43)	(12)
Other expenses	(10,626)	(5,224)
Total	(38,600)	(43,302)

(a) The exchange differences are mainly influenced by the appreciation and depreciation of functional currencies against other currencies (mainly US$ and Euro).

(b) It relates to the application of IAS 29 to Argentinean pesos (Note 2.2).

19. Leasing

The change of rights-of-use assets in the three months period ended March 31, 2020 is demonstrated as follows:

Composition and movements of right-of-use assets

	Buildings	Machinery and equipment	Vehicles	Other	Total
Cost					
As of December 31, 2019	13,197	62,168	4,799	266	80,430
Write-offs	-	(9)	-	-	(9)
Exchange difference	(1,071)	(13,732)	(892)	(60)	(15,755)
As of March 31, 2020 (Recasted)	12,126	48,427	3,907	206	64,666
(-) Accummulated depreciation					
As of December 31, 2019	(2,161)	(16,776)	(591)	(152)	(19,680)
Additions	(545)	(4,046)	(149)	(34)	(4,774)
Write-offs	-	(84)	-	-	(84)
Exchange difference	209	4,268	145	39	4,661
As of March 31, 2020 (Recasted)	(2,497)	(16,638)	(595)	(147)	(19,877)
Balance as of March 31, 2020 (Recasted)	9,629	31,789	3,312	59	44,789
Balance as of December 31, 2019	11,036	45,392	4,208	114	60,750

The obligations under finance leases changed since its adoption through December 31, 2019 as demonstrated below:

Composition and movements of lease liabilities:

	03.31.2020 (Recasted)
As of December 31, 2019	70,352
Payments	(5,749)
Present value adjust	2,738
Exchange difference	(13,316)
As of March 31, 2020 (Recasted)	54,025

The obligation under finance leases are broken down as current and non-current and is aged as demonstrated below:

Lease liabilities included in the statement of financial position:

	03.31.2020 (Recasted)
Current	18,621
Non-current	35,404
Lease liabilities	54,025

Lease liabilities - Maturity analysis:

	03.31.2020 (Recasted)
Less than one year	18,621
One to five years	33,071
More than five years	2,333
Lease liabilities	54,025

20. Commitments

Purchase agreements

InterCement Brasil has a contractual agreement for purchase of raw slag effective until 2021 adjusted by the Brazilian Chamber of Construction Industry (CBIC) ("take or pay contract") and also contracts for the acquisition of hydroelectric power until 2024 whose total estimated cash disbursements, in nominal amounts, are as follows:

	03.31.2020 (Recasted)	12.31.2019
2020	21,348	36,783
2021	24,147	31,150
2022	23,905	30,833
After 2022	38,707	49,924
Total	108,107	148,690

Other subsidiaries are parties to contractual agreements for the purchase of inventories and property, plant and equipment, and the operation of facilities located in third-party properties, as follows:

	03.31.2020 (Recasted)	12.31.2019
2020	50,222	18,522
2021	26,195	28,695
2022	20,857	25,402
After 2022	126,866	157,149
Total	224,140	229,768

The above balances refer mainly to the contracts signed by Loma Negra as details below:

The Argentinian segment has certain contractual commitments for the purchase of slag with effect until 2022. Estimated future cash flows are approximately US$13,896 (ARS895,800 thousand) between 2020 and 2022.

The Argentinian segment also signed contracts for the supply of gas, assuming payment commitments in the total amount of approximately US$11,293 (ARS728,000 thousand), with payment of US$5,956 (ARS384,000 thousand) during the year 2020 and US$5,336 (ARS344,000 thousand) in 2021.

In the year ended December 31, 2017, the Argentinian segment signed energy supply contracts with certain suppliers, in the total amount of US$11,106 (ARS716,000 thousand) and US$14,798 (ARS954,000 thousand) during 2020 and 2021 and US$139,866 (ARS9,017,000 thousand) between 2022 and 2037.

Additionally to the above figures, in accordance with the contract concluded with Sinoma International Engineering Co. Ltd for the construction of a new cement factory, Loma Negra C.I.A.S.A. made commitments totalling US$33,614 (ARS2,167,000 thousand), plus US$105,250 (ARS6,923,000 thousand) and US$45,823. Whereas, as agreed, the amounts in pesos (ARS 2,167,000 thousand) are subject to periodic updating in accordance with an adjustment formula. The amount committed as of March 31, 2020 is US$11,773 (ARS759,000 thousand).

21. Earnings Per Share

The table below shows the reconciliation of profit/loss for each period with the amounts used to calculate basic and diluted earnings (loss) per share:

	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Profit / (Loss) for the period from continuing and discontinuing operations attributable to Company's owners	(27,103)	293,304
Profit / (Loss) for the period attributable to common shares	(27,103)	293,304
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted gain (loss) per common share	(1.19)	12.93
Loss for the period from continuing operations attributable to Company's owners	(27,103)	(58,168)
Loss for the period attributable to common shares	(27,103)	(58,168)
Weighted average number of common shares	22,687,439	22,687,439
Basic/diluted loss per common share	(1.19)	(2.56)

22. Financial Instruments

The Group conduct transactions involving financial instruments, including derivatives, all of which recorded in balance sheet accounts, which are intended to meet their operating and financial needs. The Company contracts short-term investments, borrowings and financing, as well as derivatives.

22.1. Capital risk management

The Group capital structure consists on net debt and equity. The net debt comprises borrowings and financing and debentures less the cash and cash equivalents, current securities and derivatives. Interest payable and obligations under finance leases are not included within the net debt.

22.2. Financial risk management

General principles

During its normal business activities, ICP Group is exposed to a variety of financial risks likely to change its net worth, which can be grouped, according to their nature, in the following categories:

- Interest rate risk;
- Exchange rate risk;
- Liquidity risk;
- Credit risk;
- Counterparty risk.

Financial risk means the probability of obtaining a positive or negative outcome different to that expected, and which materially and unexpectedly alters the Group's net worth.

All risk management, focused on that objective, is conducted according to two core concerns:

- Reducing, whenever possible, fluctuations in profit/loss and cash flows that are exposed to risk situations;

- Curbing deviation from forecast financials by means of strict financial planning based on multi-year budgets.

Furthermore, another concern of the Group is that the processes for managing these risks meet internal information requirements and external requirements (regulators, auditors, financial markets and all other stakeholders).

The Group, as a rule, does not take speculative positions and so the sole aim of all operations carried out with the purpose of managing financial risks is to control existing risks to which the Group is unavoidably exposed.

Hedging the interest-rate risk and exchange-rate risk normally means contracting financial derivatives on the over-the-counter market (for reasons of flexibility), involving a limited number of counterparties with high ratings. These operations are undertaken with financial entities with which International Swaps and Derivatives Associaton (ISDA) contracts were completed in advance, in accordance with international standards.

The whole treasury department is responsible for managing financial risks, including identifying, assessing and hedging such risks. This risk management is conducted under the guidance of the Executive Committee, in particular of the director responsible for the financial risk area (whose approval is required prior to any operation).

22.3. Interest rate risk

The Group's exposure to interest-rate risk arises from the fact that its balance sheet includes financial assets and liabilities that may have been contracted at fixed interest rates or at variable interest rates. In the former case, the Group runs the risk of variation in the fair value of those assets and liabilities, whereby any change in market rates involves a (positive or negative) opportunity cost. In the latter case, such change has a direct impact on the amount of interest paid/received, resulting in cash account changes.

Interest-rate swaps can be contracted to hedge this type of risk, in accordance with the Group's expectations concerning the development of market rates

As of March 31, 2020 and December 31, 2019, there were no hedge instruments contracted to protect such risks.

Exposure to interest rate risks and to floating and fixed rates

The Group is exposed to floating interest rates and inflation rates mainly related to changes in the IGP-M, CDI, Libor, Euribor and Badlar on borrowings and debentures. Interest rates on short-term investments are mostly linked to the CDI and Selic fluctuation. These positions are as follows:

	Recasted						
	Borrowings and financing	Debentures	Cash and cash equivalents	Securities	Other payables	03.31.2020	12.31.2019
Assets:							
CDI	-	-	65,837	185	-	66,022	107,754
Total	-	-	65,837	185	-	66,022	107,754
Liabilities:							
IGP-M	-	-	-	-	5,613	5,613	7,116
CDI	59,943	319,781	-	-	-	379,724	461,292
EURIBOR	216,133	-	-	-	-	216,133	220,587
LIBOR	467,111	-	-	-	-	467,111	462,409
Badlar	46,507	-	-	-	-	46,507	-
Outros	5,164	-	-	-	-	5,164	51,559
Total	794,858	319,781	-	-	5,613	1,120,252	1,202,963

As of March 31, 2020 and December 31, 2019, the Group's liability by type of interest rate, considering derivative financial instruments, between floating and fixed rate, was as follows:

	03.31.2020 (Recasted)	12.31.2019
Floating rates	60%	62%
Fixed rates	40%	38%

22.4. Exchange rate risk

The Group is exposed to the exchange-rate risk for the currencies of different countries due to the amounts of capital invested in those countries where functional currency is different from Group functional currency.

The exchange effects of the translation of local financial statements in the Group's consolidated financial statements can be mitigated by hedging the net investments in such countries.

When hedging the exchange-rate risk, swaps and forward contracts and with maturities equivalent to the instrument that serves as a hedging basis, are contracted.

The Group does not carry out exchange-rate operations that do not adequately cover existing or contracted positions.

The fact that the Group operates in countries with significant interest rate differentials in relation to the consolidation currency, results in the search for natural hedge strategies. In this respect there was a seeking to increase the debt of the Business Units in order to obtain better correspondence between assets and liabilities in the same currency, thus decreasing the Group's overall exposure.

Exposure to foreign exchange risk

The Group has assets and liabilities in currencies other than their own functional currencies, mainly the US Dollars, and their individual financial results may be materially impacted by exchange rate fluctuations.

The main account groups exposed to foreign exchange risk are as follows:

	03.31.2020 (Recasted)	12.31.2019
Assets:		
Cash, cash equivalents and securities	25,026	76,939
Trade receivables	4,320	1,111
Related parties (a)	447,852	454,694
Other credits	1,314	1,534
Exposed assets	478,512	534,278
Liabilities:		
Interest, borrowings, financing and debentures	1,370,296	1,053,579
Foreign trade payables	18,562	6,390
Related parties (a)	442,588	488,788
Other debits	177	1,379
Exposed liabilities	1,831,623	1,550,136

(a) It relates to intercompany balances with currency exposure at least in one of the related companies, (considering subsidiaries with different functional currencies), where balances (assets and liabilities) are eliminated during the consolidation; however, gain or loss impact in exchange variation are not eliminated since impacts the profit or loss of individual entities.

The presentation of cash and cash equivalents and current securities by currencies and related foreign exchange exposures are as follows:

		03.31.2020 (Recasted)		12.31.2019	
Functional currency	**Currency**	**Currency**	**USD**	**Currency**	**USD**
ARS	USD	4,887	4,887	4,557	4,557
BRL	USD	3	3	206	206
PYG	USD	5,534	5,534	684	684
EGP	USD	1,851	1,851	3,273	3,273
EUR	USD	12,629	12,629	64,144	64,144
MZN	USD	-	-	99	99
ARS	BRL	9	2	9	2
PYG	BRL	1	-	1	-
ARS	EUR	27	29	27	30
BRL	EUR	-	-	-	-
PYG	EUR	18	19	18	20
EGP	EUR	66	72	92	104
MZN	EUR	-	-	1,579	1,774
EUR	EGP	-	-	2,745	172
ARS	PYG	-	-	5,475	-
MZN	ZAR	-	-	2,008	143
EUR	MZN	-	-	105,821	1,730
Amount exposed to foreign exchange risks			25,026		76,938
BRL	BRL	393,691	75,729	437,043	108,429
EUR	EUR	11,424	12,584	73,821	82,974
ARS	ARS	2,030,573	31,497	1,178,500	19,678
MZN	MZN	595,827	8,906	998,691	16,333
EGP	EGP	162,699	10,368	108,098	6,756
PYG	PYG	42,661,179	6,492	130,908,940	20,252
ZAR	ZAR	243,621	13,711	308,669	22,025
Amount by functional currency			159,287		276,447
			184,313		353,385

The main debt instruments (essentially related with loans and debentures) as of March 31, 2020 and December 31, 2019, and considering the effect of the existing cross currency swaps, were denominated in the following currencies:

	03.31.2020 (Recasted)	**12.31.2019**
USD	55%	53%
BRL	22%	25%
EUR	13%	15%
Other	10%	7%

22.5. Liquidity risk

Liquidity risk management means maintaining an appropriate level of cash resources and contracting credit limits that not only ensure the normal pursuit of the Group's activities but also meet the needs of any extraordinary operations.

As mentioned in note 24 below, Company successfully refinanced its debts, releasing pressures in the next three years related to liquidity risk. Management continues working in its liabilities plan, targeting extension to remaining loans, financing and debentures with the expectation of recover in Brazil from its recent financial crises and all of Company´s business after COVID-19 crisis.

22.6. Credit risk

The markets view of Group's credit risk in regards to financing operations is naturally reflected in the financial costs associated to such operations. The Group's influence in such matters is merely ancillary, embodying the prudent and balanced management of the business in order to lessen the probability of defaulting on its obligations.

The Group's level of solvency is also reflected in its Leverage ratio (Net Debt / EBITDA). As described in Notes 10 and 11, as of December 31, 2019, the Company agreed with financial institutions the increase of such parameters from 4.5 to 5.5 (ratio Net Debt versus EBITDA), which was in compliance at year-end. Furthermore, the Company successfully refinanced its debts, including the amendment of the covenants for 2020 and following years (see note 24 below and 10 and 11 above).

Financial instruments that potentially subject the Company and its subsidiaries to concentrations of credit risk consist primarily of short-term investments. The Company and its subsidiaries maintain bank accounts and short-term investments with financial institutions approved by Management, and only carry out sale transactions according to credit approval criteria for minimizing default risks.

22.7. Counterparty risk

When the Group establishes different contractual relations with third parties, it takes on the risk of the probability of non-fulfilment or even, in an extreme scenario, default by a counterparty.

The Group endeavours to limit its exposure to this risk, when making bank deposits and other cash investments and also, when contracting derivative instruments, by carefully selecting the counterparties, based on their rating and taking into account the nature, maturity and scope of the operations.

No losses due to default by counterparties are expected based on the information currently available. As mentioned in note 1 above, Management carefully reviewed any impact in the expected credit losses as part of our evaluation of the potential impacts arising from COVID-19, and concluded that the allowance for doubtful accounts is reasonable to cover the expected risks.

22.8. Sensitivity analysis of financial instruments

Exposure to interest-rate risk results in the variability of the Group's net financial expenses. The results of a sensitivity analysis of exposure as of March 31, 2020 were as follow:

a) Sensitivity analysis - Interest rates with Euribor, US Libor and CDI index

A parallel change of +/- in the interest rate curves applied on principal amounts as of March 31, 2020, with all the other assumptions remaining constant would result in an increase in financial costs for the period then ended (before taxes) as shown in table below:

		Recasted			
Indexing	Currency	Asset (Liability)	1%	2%	3%
Euribor	EUR	(216,133)	(2,161)	(4,323)	(6,484)
US Libor	USD	(467,111)	(4,671)	(9,342)	(14,013)
CDI	BRL	(313,705)	(3,137)	(6,274)	(9,411)

b) Exchange rates

In the debt balances, considering the currency distribution aforementioned, the exchange rate risks from exchange rate volatility may result in significant impacts on consolidated financial results.

Considering the Group's companies financial asset and liability profile (including intercompany balances) as of March 31, 2020, the more significant impacts on net financial results would be as follows:

				USD depreciation		USD appreciation	
Amount in USD	Funcional currency	FX Rate (03-31-20)		-10%	-5%	5%	10%
(1.227.467)	EUR	1,00	Effect in USD	(122.747)	(61.373)	61.373	122.747
106.405	ARS	71,01	Effect in ARS	(755.611)	(377.805)	377.805	755.611
			Effect in USD	(11.823)	(5.600)	5.067	9.673
5.541	PYG	7.238,80	Effect in PYG	4.011.179	2.005.589	(2.005.589)	(4.011.179)
			Effect in USD	616	292	(264)	(504)
(3.555)	BRL	5,73	Effect in BRL	(2.036)	(1.018)	1.018	2.036
			Effect in USD	(395)	(187)	169	323
77.394	ZAR	19,57	Effect in ZAR	151.465	75.733	(75.733)	(151.465)
			Effect in USD	8.599	4.073	(3.685)	(7.036)
246	EGP	17,28	Effect in EGP	426	213	(213)	(426)
			Effect in USD	27	13	(12)	(22)
(87.569)	MZN	73,69	Effect in MZN	(645.287)	(322.644)	322.644	645.287
			Effect in USD	(9.730)	(4.609)	4.170	7.961

				EUR depreciation		EUR appreciation	
Amount in EUR	Funcional currency	FX Rate (03-31-20)		-10%	-5,0%	5,0%	10,0%
(33.224)	ZAR	17,77	Effect in ZAR	59.031	29.515	(29.515)	(59.031)
			Effect in USD	3.351	1.749	(1.582)	(3.020)
86.858	BRL	5,20	Effect in BRL	(45.155)	(22.578)	22.578	45.155
			Effect in USD	(8.762)	(4.571)	4.136	7.896
(52.569)	MZN	66,90	Effect in MZN	351.681	175.840	(175.840)	(351.681)
			Effect in USD	5.303	2.767	(2.503)	(4.779)

				EGP depreciation		EGP appreciation	
Amount in EGP	Funcional currency	FX Rate (03-31-20)		-10%	-5,0%	5,0%	10,0%
57.013	EUR	17,28	Effect in USD	330	165	(165)	(330)

(Thousand)

22.9. Categories of financial instruments

	03.31.2020 (Recasted)	12.31.2019
Current assets:		
Cash and bank accounts (Note 4)	66,859	195,569
Financial assets at amortized cost:		
Short-term investments - financial asset (Note 4)	1,475	1,475
Trade receivables (Note 6)	87,449	75,490
Other receivables	41,132	37,693
Financial assets at fair-value through profit & Loss:		
Short-term investments - financial asset	98,831	137,074
Exclusive funds (Note 5)	17,148	19,267
Non-current assets:		
Financial assets at amortized cost:		
Trade receivables (Note 6)	315	504
Other receivables	35,215	39,621
Financial assets at fair-value through profit & loss:		
Long-term investments - financial asset (Note 5)	1,060	1,427
Derivatives (Note 22.10)	5,823	7,060
Current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	138,503	178,623
Borrowings and financing (Note 10)	363,586	220,663
Trade payables	216,213	295,625
Interest payable (Notes 10 and 11)	21,057	27,632
Leasing (Note 19)	18,621	30,644
Other payables	27,322	49,026
Non-current liabilites:		
Financial liabilities at amortized cost:		
Debentures (Note 11)	713,288	781,490
Borrowings and financing (Note 10)	625,590	750,459
Trade payables	1,742	3,033
Leasing (Note 19)	35,404	39,708
Other payables	23,061	29,232

22.10. Derivative transactions

As of March 31, 2020 and December 31, 2019, the fair value of derivatives is as follows:

	Assets	
	Non-current	
	03.31.2020 (Recasted)	12.31.2019
Written-put options ("Baesa", "Machadinho" and "Estreito" operations)	5,823	7,060
	5,823	7,060

Trading derivatives

Represented by three derivative options in connection with "Baesa", "Machadinho" and "Estreito" operations, whose asset and liability fair value as of March 31, 2020 and December 31, 2019, were estimated in the amount of US$5,823 and US$7,060, respectively.

22.11. Market values

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value as of March 31, 2020 in accordance with the following fair value seniority levels:

– Level 1: the fair value of financial instruments is based on listings on net active markets as of the date of the financial statements;

– Level 2: the fair value of financial instruments is not based on listings on net active markets but rather based valuation models;

– Level 3: the fair value of financial instruments is not based on listings on net active markets but rather on valuation models, the principal inputs of which are not observable in the market.

		Recasted		
Category	Item	Level 1 (Recasted)	Level 2 (Recasted)	Level 3 (Recasted)
Assets:				
Financial assets at fair value through profit & loss	Securities	17,148	98,831	-
Financial assets available for sale	Securities - non current	-	1,060	-
Financial assets at fair value	Financial derivative instruments	-	-	5,823

The valuation technique to determine the fair value measurement of the financial instruments categorized within Level 3 of the fair value hierarchy, which comprises the derivative options of "Baesa", "Machadinho" and "Estreito" operations, was Black-Scholes. The significant unobservable inputs to the measurement include: expected future dividends payments based upon on discounted cash flows projections; benchmarking information of comparative listed entities volatility, among others. We have also used the Monte Carlo valuation technique to create a probability distribution (or risk assessment) in the determination of the exercise of the put options, which assumption was also used in the determination of the fair value.

Estimated fair value – assets and liabilities not measured at fair value

Measurement of fair value of derivatives financial instruments is based on criteria extracted from external database agencies, and the results obtained faced with the corresponding evaluations made by counterparties.

Except as regards borrowings and financing and debentures, the majority of financial assets and liabilities mature in the short term and so their fair value is considered to be the same as their book values.

Regarding borrowings, financing and debentures, as shown in Notes 10 and 11, in general, are contracted at variable interest rates. Consequently, it is understood that the corresponding book value (amortized cost) does not differ significantly from their corresponding market value, except for the Senior Notes issued by InterCement B.V. and for the fixed interest rate debenture contracted in the Brazilian segment, which effect of their valuation to fair value in relation to their book value being as follows:

	03.31.2020 (Recasted)	12.31.2019
Fair Value	655,269	875,653
Carrying amount	866,233	968,446

23. Operating Segment

The operating segments are identified based on the internal reports on the Company's components, periodically reviewed by the Chief Executive Officer (CEO), the chief operating decision-maker, so that funds can be allocated to the segments and their performances assessed.

To manage its business taking into consideration its financial and operating activities, the Company classified its business into each geographical area where the Company operates.

The statement of operations information are as follows:

	03.31.2020 (Recasted)				03.31.2019 (Recasted)			
	Net Revenue				Net Revenue			
	Foreign sales	Intersegment sales	Total	Results	Foreign sales	Intersegment sales	Total	Results
Operating segments:								
Brazil	102,540	-	102,540	(8,846)	111,981	-	111,981	(16,802)
Argentina and Paraguay	139,489	-	139,489	30,012	177,842	-	177,842	33,482
Egypt	29,338	-	29,338	(1,042)	34,795	-	34,795	(3,865)
Mozambique	27,481	-	27,481	1,121	25,583	-	25,583	1,162
South Africa	27,404	810	28,214	1,098	30,819	644	31,463	2,261
Total	326,252	810	327,062	22,343	381,020	644	381,664	16,238
Unallocated (a)	2,743	110	2,853	(5,425)	7,398	35,584	42,982	(8,980)
Eliminations	-	(920)	(920)	-	-	(36,228)	(36,228)	-
Sub-total	328,995	-	328,995	16,918	388,418	-	388,418	7,258
Income before financial income (expenses)				16,918				7,258
Foreign exchange, net				15,003				(21,557)
Financial income				5,077				16,707
Financial expenses				(38,600)				(43,302)
Income (loss) before income tax and social contribution				(1,602)				(40,894)
Income tax and social contribution				(16,438)				(3,333)
Loss for the period from continuing operations				(18,040)				(44,227)
Profit for the period from discontinuing operations				-				356,697
Profit/(Loss) for the period				(18,040)				312,470

(a) This caption includes holding companies and trading companies not attributable to specific segments.

The profit for each three-months periods above includes the full amount of the Company's segments disregarding the following amounts attributable to non-controlling interests:

	Noncontrolling interests	
	03.31.2020 (Recasted)	03.31.2019 (Recasted)
Continuing operating segments:		
Brazil	2,903	1,786
Argentina and Paraguay	8,089	13,796
Egypt	(141)	(196)
Mozambique	(975)	140
South Africa	783	301
	10,659	15,827
Unallocated	(1,596)	(1,886)
	9,063	13,941
Discontinued operating segments	-	5,225
Profit for the period attributable to non-controlling interests	9,063	19,166

Other information:

	03.31.2020 (Recasted)		03.31.2019 (Recasted)	
	Capital expenditure	Depreciation, amortisation and impairment losses	Capital expenditure	Depreciation, amortisation and impairment losses
Operating segments:				
Brazil	9,689	21,090	7,095	23,757
Argentina and Paraguay	18,172	16,256	67,859	15,656
Egypt	2,293	4,478	520	2,817
Mozambique	601	4,467	841	2,560
South Africa	757	2,893	2,680	2,592
	31,512	49,184	78,995	47,382
Unallocated	17	140	454	353
Total	31,529	49,324	79,449	47,735

The impairment losses, when it occurs, respects to impairment losses on goodwill, tangible and intangible assets.

In addition, segment assets and liabilities reconciled with the consolidated balances as of March 31, 2020 and December 31, 2019 are as follows:

	03.31.2020 (Recasted)			12.31.2019		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Operating segments:						
Brazil	1,340,613	652,335	688,278	1,745,111	833,861	911,250
Argentina and Paraguay	1,179,216	490,893	688,323	1,225,221	496,406	728,815
Egypt	294,815	256,995	37,820	283,685	244,327	39,358
Mozambique	243,403	161,307	82,096	261,495	163,862	97,633
South Africa	312,832	82,622	230,210	385,038	106,258	278,780
Total	3,370,879	1,644,152	1,726,727	3,900,550	1,844,714	2,055,836
Unallocated	277,920	1,228,510	(950,590)	365,201	1,293,104	(927,903)
Eliminations	(290,616)	(290,616)	-	(288,421)	(288,421)	-
Total	3,358,183	2,582,046	776,137	3,977,330	2,849,397	1,127,933

The unallocated assets and liabilities include assets and liabilities not attributable to specific segments basically allocated to holding and trading companies.

24. Events After the Reporting Period

Refinancing of debts

As mentioned in note 1 above, on June 8, 2020, the Company concluded its Debt refinancing program that Management designed with the Company´s main lenders and approximately US$910,490 (considering the currency exchange rate at the transaction date) of its debt were extended by the issuance of two Debentures, one by InterCement Participações S.A. (R$2,976,666 thousand equivalent to US$579,501) and other by InterCement Brasil S.A (R$1,700,161 thousand equivalent to US$330,989).

These debentures are negotiate in Brazilian Reais and have final maturity in May 2027, with partial amortizations starting in 2023 with an annual interest rate of CDI + 3,75%. The instrument is guaranteed by Loma Negra shares held by the Company. The debt was issued in Brazilian Reais and will provide an appropriate amortization schedule, avoiding pressures on the next three years, supporting the company liquidity in this challenge period. The debentures will be mandatorily redeemable in May 2024 if the Group is unable to refinance its existing notes due 2024.

Additionally, the debentures will carry financial covenants, measured at the consolidated level of ICP, adequate to the current scenario. In 2020, due to the COVID-19 pandemic situation, the Company needs to comply with a gross debt cap of €1,800,000 thousands (equivalent to US$2,043,882 as of March 31, 2020), measured at year end. In the following year ends, the financial covenant changes from gross debt cap, to net leverage, measured by the Net Debt over Adjusted EBITDA. In 2021, the limit is 5.85X, and for the following years 5.35X in 2022; 4.85X in 2023; 3.85X in 2024 and 3.35 from 2025 until 2027.

The use of proceeds from the issuance was fully addressed to prepay the existing debts in the Companies Caue Austria Holding (approximately US$413,000, which US$197,000 were denominated in US$ and the remaining portion denominated in Euros), InterCement Financial Operations BV (approximately US$160,000 denominated in US$) and InterCement Brasil (approximately US$326,000 were denominated in Brazilian Reais).

25. Authorization for issuance of the Condensed consolidated financial information

At the meeting held on June 22, 2020, the Board of Directors authorized the issuance of this condensed consolidated interim financial information, being approved by them for disclosure.