



## ELEMENTIA ANNOUNCES FOURTH QUARTER 2020<sup>1</sup> RESULTS

Mexico City, February 24, 2021 - Elementia, S.A.B. de C.V. (BMV: ELEMENT\*) (“the Company”, or “Elementia”) announced today its financial and operating results for the fourth quarter (“4Q20”). Figures in this report are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Figures are stated in Mexican pesos (\$).





### Main Highlights

- During 4Q20, Elementia reported increases in consolidated revenues and EBITDA of 24% and 93%, respectively vs 4Q19. For the full year of 2020, both revenues and EBITDA rose 8% mainly due to the changes in commercial strategy and the excellent performance of the different businesses.
- During 2020, Cash increased by 161% to \$5,139 million when compared to the close of 2019 due the change in financial strategy to a focus on improving working capital and preserving cash.
- Using the excess cash and a debt restructuring strategy, last December we announced the prepayment of our Senior Notes due in January 2025 in the amount of USD425 million.
- Leverage ratio at the close of 4Q20 was 3.44x and the interest coverage ratio was 2.81x.
- The sale of our cement plant assets in Pennsylvania remains under review by the antitrust authorities and we hope to have a response in April.

<sup>1</sup> Elementia´s 4Q20 earnings conference call will take place on February 25, 2021. Dial-in information can be found in the annexes of this document. The report, transcript and audio of the results can be downloaded at [www.elementia.com](http://www.elementia.com).

The Company's strategy for 2020 was focused on taking advantage of market opportunities and rationalizing the resources available to focus on profitability and cash flow generation.

Our main objectives were:

- |   |   |   |
|---|---|---|
| 1) Reduction of inventories                 | <ul style="list-style-type: none"> <li>• During 2020 we were able to reduce inventories by \$616 million, mainly in Metals and Building Systems U.S.</li> </ul>   |  |
| 2) Cement U.S. – sustained growth           | <ul style="list-style-type: none"> <li>• In 4Q20 we registered increases in revenues and EBITDA vs 4Q19 of 24% and 25%, respectively.</li> <li>• For the full year, revenues increased 24% and EBITDA rose 72%, for a sustained growth throughout 2020.</li> </ul>  |  |
| 3) Metal Products – return to profitability | <ul style="list-style-type: none"> <li>• Revenues and EBITDA increased 27% and 206%, respectively, when compared to 4Q19, as a result of focus maintained on profitability and the changes in commercial and operating strategies of the business.</li> <li>• For the full year, EBITDA rose 123%.</li> </ul> |  |
| 4) Building Systems U.S.                    | <ul style="list-style-type: none"> <li>• In process: negative EBITDA affected mainly by the contraction in demand during the pandemic and non-recurring expenses.</li> </ul>  |  |

## Operating and financial highlights

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Consolidated Cement BU volume	1,383,137	1,269,423	9%	5,315,432	5,116,734	4%
Consolidated Metal products BU volume	11,645	11,730	(1%)	44,529	52,958	(16%)
Consolidated Building systems BU volume	202,224	366,542	(45%)	735,995	1,504,011	(51%)
Net Sales	7,468	6,045	24%	28,044	25,900	8%
Cost of sales	5,968	5,540	8%	21,964	20,852	5%
Gross profit	1,500	505	197%	6,080	5,048	20%
% of net sales	20%	8%	11.7 pp	22%	19%	2.2 pp
Operating expenses	1,128	1,949	(42%)	4,812	5,306	(9%)
Operating income (loss)	372	(1,444)	126%	1,268	(258)	591%
% of net sales	5%	-24%	28.9 pp	5%	-1%	5.5 pp
EBITDA	965	500	93%	3,561	3,297	8%
% of net sales	13%	8%	4.65 pp	13%	13%	(0.0 pp)
Comprehensive financing result, net	(761)	(545)	40%	(1,432)	(1,565)	(8%)
Income before income taxes	(389)	(1,989)	80%	(164)	(1,823)	91%
Income tax	(46)	558	(108%)	359	788	(54%)
Income (loss) from continued operations	(343)	(2,547)	87%	(523)	(2,611)	80%
Loss from discontinued operations		(76)	(100%)		(76)	(100%)
Net Income (loss)	(343)	(2,623)	87%	(523)	(2,687)	81%
Working Capital	4,780	4,358	10%			
Receivables, net	3,310	3,095	7%			
Inventories, net	4,541	5,157	(12%)			
Payables	3,071	3,894	(21%)			
Free Cash Flow	3,483	(294)	1285%			
Operating	4,003	2,958	35%			
Investments	(741)	(1,189)	(38%)			
Financing	221	(2,063)	111%			
Cash and cash equivalents	5,139	1,966	161%			
Total Debt	17,390	15,380	13%			
Employees	5,884	6,310	(7%)			

## Net sales

### Net sales per business unit

	MXN millions	4Q20	3Q20	4Q19	Δ% Q/Q	Δ% Year/Year
Cement Mexico		1,539	1,613	1,189	(5%)	29%
Cement United States		1,418	1,621	1,142	(13%)	24%
Cement Central America		91	105	154	(13%)	(41%)
Metal Products		2,068	1,848	1,626	12%	27%
Building Systems United States		978	1,136	842	(14%)	16%
Building Systems LatAm		1,193	1,191	1,044	0%	14%
<b>Total Elementia <sup>1</sup></b>		<b>7,287</b>	<b>7,514</b>	<b>5,997</b>	<b>(3%)</b>	<b>22%</b>

1) Does not include holding and eliminations

### Net sales per destination

	MXN millions	4Q20	3Q20	4Q19	Δ% Q/Q	Δ% Year/Year
United States		3,195	3,306	2,488	(3%)	28%
Mexico		3,154	3,252	2,379	(3%)	33%
Central America		209	256	462	(18%)	(55%)
South America		833	763	630	9%	32%
Rest of the World		77	93	86	(17%)	(10%)
<b>Total Elementia <sup>1</sup></b>		<b>7,468</b>	<b>7,670</b>	<b>6,045</b>	<b>(3%)</b>	<b>24%</b>

1) Include holding and eliminations

Consolidated net sales for 4Q20 reached \$7,468 million which represents an increase of 24% compared to \$6,045 million in 4Q19. This figure rose 8% in full year 2020 mainly due to higher sales in Mexico, the U.S. and South America, thanks to our focus on higher value-added products and a gradual recovery in demand during the second half of the year.

## Operating Income

In 4Q20, operating income reached \$372 million, representing an increase of 126% compared to an operating loss of \$1,444 million reported in 4Q19. For full year 2020, we achieved excellent results, with a 591% increase versus 2019 to operating income of \$1,268 million. The increases mainly reflect higher sales volumes and the success of the cost and expense optimization strategy implemented in all of Elementia's business units.

## EBITDA per business unit

MXN millions	4Q20	3Q20	4Q19	Δ% Q/Q	Δ% Year/Year
Cement Mexico	538	653	569	(18%)	(5%)
Cement United States	256	316	204	(19%)	25%
Cement Central America	27	31	26	(13%)	4%
Metal Products	114	115	(108)	(1%)	206%
Building Systems United States	(268)	(14)	(238)	(1814%)	(13%)
Building Systems LatAm	169	184	44	(8%)	284%
Total Elementia <sup>1</sup>	836	1,285	497	(35%)	68%

1) Does not include holding and eliminations

Consolidated EBITDA increased by 93% in 4Q20 vs. 4Q19. For full year 2020, consolidated EBITDA rose 8% due to higher sales volumes, strict cost and expense controls and the personnel restructure that was conducted in the second half of the year.

## Financing Result

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Interest income	(9)	(8)	13%	(59)	(36)	64%
Interest expense	440	401	10%	1,327	1,447	(8%)
Bank commissions	215	79	172%	268	121	121%
Net exchange loss (profit)	115	73	58%	(104)	33	415%
Total comprehensive financing cost, net	761	545	40%	1,432	1,565	(8%)

In 4Q20 the integral cost of financing registered a 40% increase mainly due to the increase in bank commissions generated by the premium recognized for prepaying the Senior Notes last December. The integral cost of financing, net for the full year 2020 registered an 8% decrease when compared to 2019, as a result of lower interest expenses, exchange rate volatility and income resulting from changes in the fair value of derivatives.

## Net Income/Loss

A net loss of \$343 million was reported for 4Q20 vs a net loss of \$2,623 million in 4Q19, for an increase of 87%, with an 81% increase registered for the full year. The lower loss on the year reflects the favorable turnaround in Elementia's results primarily stemming from the financial, fiscal and commercial strategies.

## Free Cash Flow

MXN millions	January - December		
	2020	2019	Δ%
<b>EBITDA</b>	<b>3,561</b>	<b>3,297</b>	<b>8%</b>
Change in working capital	(423)	(325)	30%
Cash taxes	(436)	(468)	(7%)
Interest, net	(1,205)	(1,422)	(15%)
Bank commissions	(268)	(121)	121%
<b>Cash flow before Capex</b>	<b>1,229</b>	<b>961</b>	<b>28%</b>
% of EBITDA	35%	29%	5.4 pp
CAPEX	(806)	(1,177)	(32%)
<b>Free cash flow before financing</b>	<b>423</b>	<b>(216)</b>	<b>296%</b>
Incurred (paid) debt	1,331	(261)	610%
Others	(269)	(240)	(12%)
Sale (buy) stock buyback	(123)	(72)	71%
<b>Free cash flow</b>	<b>1,362</b>	<b>(789)</b>	<b>273%</b>

Cash flow before CAPEX at the close of 2020 represented 35% of EBITDA compared to 29% in 2019 due mainly to the strong cash generation from the optimization of working capital and a reduction in the cost of financing.

Our strategy of maximizing cash flow remained consistent throughout 2020, therefore CAPEX for 2020 was 32% lower than in 2019.

In 2020, new financing equivalent to \$1,845 million was obtained.

## Balance Sheet

Balance Sheet	MXN millions	Dec 2020	Dec 2019	Δ%
Cash and cash equivalents		5,139	1,966	161%
Receivables, net		3,310	3,095	7%
Inventories, net		4,541	5,157	(12%)
Other receivables and currents assets		4,701	4,818	(2%)
<b>Current assets</b>		<b>17,691</b>	<b>15,036</b>	<b>18%</b>
Other receivables, net			15	(100%)
Investment in associated companies and others		3	3	0%
Property, plant and equipment, net		26,098	26,609	(2%)
Right of use asset		733	795	(8%)
Intangible assets, net		4,232	4,343	(3%)
Deferred assets Tax		1,267	1,188	7%
Other assets		60	205	(71%)
<b>Non- current assets</b>		<b>32,393</b>	<b>33,158</b>	<b>(2%)</b>
<b>Total assets</b>		<b>50,084</b>	<b>48,194</b>	<b>4%</b>
Short term debt		11,433	1,961	483%
Payables		3,071	3,894	(21%)
Other current liabilities		3,810	2,558	49%
<b>Current liabilities</b>		<b>18,314</b>	<b>8,413</b>	<b>118%</b>
Long term debt		5,957	13,419	(56%)
Deferred taxes		2,830	2,918	(3%)
Other long term liabilities		2,128	2,114	1%
<b>Long term liabilities</b>		<b>10,915</b>	<b>18,451</b>	<b>(41%)</b>
<b>Total liabilities</b>		<b>29,229</b>	<b>26,864</b>	<b>9%</b>
<b>Shareholders' Equity</b>		<b>20,855</b>	<b>21,330</b>	<b>(2%)</b>
<b>Equity attributable to owners of the Entity</b>		<b>19,732</b>	<b>20,255</b>	<b>(3%)</b>
Capital stock		8,725	8,725	0%
Additional paid-in capital		7,579	7,579	0%
Retained earnings		3,635	4,274	(15%)
Other comprehensive income		(207)	(323)	(36%)
<b>Non- controlling interest</b>		<b>1,123</b>	<b>1,075</b>	<b>4%</b>
<b>Total liabilities and shareholders' equity</b>		<b>50,084</b>	<b>48,194</b>	<b>4%</b>

Current assets in 4Q20 increased 18% mainly due to the strong cash flow generation, inventory optimization and higher sales volumes.

Elementia's total debt increased 13% mainly due to exchange rate volatility and a new revolving credit line for Metals working capital needs. In addition, we obtained 2 loans totaling \$99 million in the Latin American operations.

## Debt Profile

MXN millions	Dec 2020	Dec 2019
Short-term debt	11,433	1,961
Long-term debt	5,957	13,419
Total debt	17,390	15,380
Cash and cash equivalents	5,139	1,966
Net debt	12,251	13,414
Net financial expense	1,268	
EBITDA LTM	3,561	
Leverage ratio	3.44x	3.98x
Interest coverage ratio	2.81x	2.39x

	Fourth quarter	
	2020	2019
<b>Currency denomination</b>		
MXN	48.38%	56.00%
USD	51.12%	44.00%
PEN	0.31%	
BOB	0.19%	
<b>Interest rate</b>		
Fixed	67.27%	74.00%
Variable	32.73%	26.00%

At the close of 2020, Elementia's net debt decreased by \$1,163 million mainly due to the solid cash position of the company.

At the close of the first quarter of 2020, Elementia reported a leverage ratio of 5.14x compared to 3.44x as of December 21, 2020, a significant improvement of 1.7x. The interest coverage ratio was 2.81x.

Within the short-term debt we registered the prepayment of our Senior Notes in the amount of \$8,478 million and a revolving credit line for Nacobre for \$1,845 million.

Elementia's debt maturity profile is very comfortable and 67% is at fixed rates.



## Results by Business Unit

### Cement Business Unit – Mexico

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	1,539	1,189	29%	5,613	4,866	15%
Operating income	370	125	196%	1,592	1,296	23%
% of net sales	24%	11%	13.5 pp	28%	27%	1.7 pp
EBITDA	538	569	(5%)	2,231	2,166	3%
% of net sales	35%	48%	(12.9 pp)	40%	45%	(4.8 pp)

In 4Q20, Cement Mexico registered a 29% increase in net sales and 196% increase in operating income versus 4Q19 due mainly to solid demand, the incorporation of the Merida plant, better pricing and strict cost and expense controls.

During 2020, net sales increased 15% and EBITDA rose 3%.

The segments that contributed the most were self-construction and infrastructure.

### Cement Business Unit – United States

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	1,418	1,142	24%	5,724	4,623	24%
Operating income (loss)	98	(1,096)	109%	178	(1,397)	113%
% of net sales	7%	(96%)	102.9 pp	3%	(30%)	33.3 pp
EBITDA	256	204	25%	816	475	72%
% of net sales	18%	18%	0.2 pp	14%	10%	4.0 pp

Cement U.S. registered extraordinary results in 2020. Net sales grew consistently at a rate of 24%, with operating income up 113% and EBITDA of \$816 million, up 72% versus 2019.

The market was bolstered by the recovery in demand which grew our sales volume, while our operation remained efficient and resilient with a focus on optimizing cost of goods sold and operating expenses.

## Cement Business Unit – Central America

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	91	154	(41%)	415	469	(12%)
Operating income	23	23	0%	104	98	6%
% of net sales	25%	15%	10.3 pp	25%	21%	4.2 pp
EBITDA	27	26	4%	120	108	11%
% of net sales	30%	17%	12.8 pp	29%	23%	5.9 pp

Despite a complex operating environment and demand levels affected by the contraction of the market, we were able to grow EBITDA in Central America by 11% for full year 2020 and 4% in 4Q20 versus the same periods in 2019, due to our focus on profitability and lower cost of goods sold.

## Metal Products Business Unit

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	2,068	1,626	27%	7,453	7,695	(3%)
Operating income (loss)	42	(163)	126%	(35)	(173)	80%
% of net sales	2%	(10%)	12.1 pp	(0%)	(2%)	1.8 pp
EBITDA	114	(108)	206%	339	152	123%
% of net sales	6%	(7%)	12.2 pp	5%	2%	2.6 pp
EBITDA en USD / TON	469			354		
Δ% in sales volume	(1%)			(16%)		
Δ% in average price	28%			15%		

2020 was a transformational year for Nacobre as we focused on higher value products and changed our pricing model. This led to positive trends in EBITDA, up 206% in 4Q20 vs 4Q19.

Net sales in 4Q20 rose 27% thanks to the gradual recovery in market demand, better market prices and a stronger copper price.

Operating income grew 126% in 4Q20 due to the focus on profitability which has generated positive results for Nacobre.

## Building Systems Business Unit – U.S.

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	978	842	16%	4,215	3,693	14%
Operating income (loss)	(377)	(279)	(35%)	(583)	(190)	(207%)
% of net sales	(39%)	(33%)	(5.4 pp)	(14%)	(5%)	(8.7 pp)
EBITDA	(268)	(238)	(13%)	(286)	(32)	(794%)
% of net sales	(27%)	(28%)	0.9 pp	(7%)	(1%)	(5.9 pp)
Δ% in sales volume	8%			3%		
Δ% in average price	8%			11%		

Although the net sales for Building Systems U.S. were affected by the slowdown in market demand, we were able to increase these by 16% in 4Q20 vs 4Q19. Sales performed well in CS USA. The Terra Haute plant closed in March 2020 and is the only plant that remains closed.

Nevertheless, the impact of non-recurring expenses caused EBITDA to decline by 13%.

## Building Systems Business Unit – LatAm

MXN millions	Fourth quarter			January - December		
	2020	2019	Δ%	2020	2019	Δ%
Net sales	1,193	1,044	14%	3,976	3,920	1%
Operating income (loss)	92	(46)	300%	12	88	(86%)
% of net sales	8%	(4%)	12.1 pp	0%	2%	(1.9 pp)
EBITDA	169	44	284%	328	391	(16%)
% of net sales	14%	4%	10.0 pp	8%	10%	(1.7 pp)
Δ% in sales volume	9%			(9%)		
Δ% in average price	5%			11%		

In 4Q20, net sales and EBITDA increased 14% and 284%, respectively vs 4Q19.

These positive results were driven by a change in the business strategy and a focus on improving working capital, which have been the keys to maintaining positive trends in the results for this division.

In 2020, sales increased 1% while EBITDA decreased 16% due to the temporary shutdown of our plants in the first half of the year.

---

## **Relevant Events**

- On December 15, 2020, we announced approval by the Board of Directors to recall Elementia's international bond with 5.5% coupon and due in 2025. This action was part of the initiatives carried out to strengthen our financial structure, reduce costs and improve profitability.
- On November 3, 2020, we announced the prepayment of our outstanding Senior Notes with 5.5% coupon which, as of October 2020, had reached an accumulated level of over 3% of total sales for 2019, in accordance with article 50 of applicable securities market laws.
- On October 1, 2020, we announced that S&P removed our special review due to the additional cash flow generation and our more solid financial position.

## **Analyst Coverage**

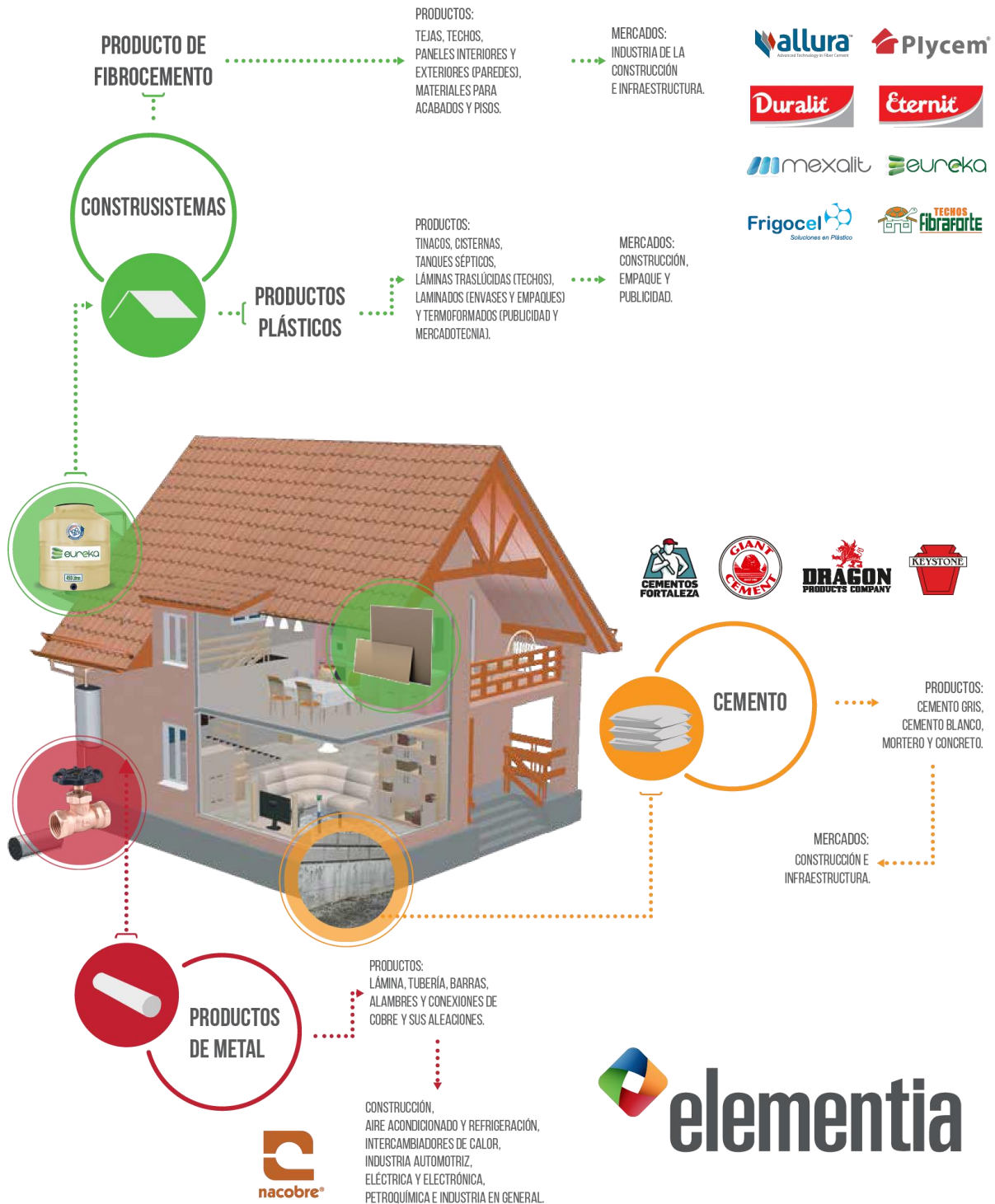
- BBVA
- HSBC
- Morgan Stanley
- Santander
- Bank of America Merrill Lynch
- Citi
- UBS

## Annexes

MXN millions	January - December		
	2020	2019	Δ%
<b>Net loss</b>	<b>(524)</b>	<b>(2,686)</b>	<b>80%</b>
Depreciation, amortization and impairment	2,293	3,555	(35%)
Gain on disposal of fixed assets	15	(29)	152%
Interest income	(59)	(36)	64%
Interest expense	1,327	1,447	(8%)
Exchange loss (gain)	584	(398)	247%
Other items	(22)	932	(102%)
<b>Non cash figures</b>	<b>3,614</b>	<b>2,785</b>	<b>30%</b>
<b>Net cash flow provided used in working capital</b>	<b>389</b>	<b>173</b>	<b>125%</b>
Increase in accounts receivable	(215)	350	(161%)
Decrease (increase) in inventories	615	(100)	715%
Increase in other receivables and other current assets	235	813	(71%)
Decrease in trade accounts payable	(823)	(686)	(20%)
Increase (decrease) in other liabilities	577	(204)	383%
<b>Net cash flow provided by operating activities</b>	<b>4,003</b>	<b>2,958</b>	<b>35%</b>
Acquisition of property, machinery and equipment	(806)	(1,177)	(32%)
Other assets	65	(12)	642%
<b>Net cash flow used in investing activities</b>	<b>(741)</b>	<b>(1,189)</b>	<b>(38%)</b>
Incurred (paid) debt	1,331	(314)	524%
Increase stock buyback	(123)	(72)	71%
Bank loans and others, net	(987)	(1,677)	(41%)
<b>Net cash by (used in) financing activities</b>	<b>221</b>	<b>(2,063)</b>	<b>111%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,483</b>	<b>(294)</b>	<b>1285%</b>
Effects differences on translating foreign operations	(310)	144	(315%)
Cash and cash equivalents at the beginning of the period	1,966	2,116	(7%)
Cash and cash equivalents at the end of the period	5,139	1,966	161%

## Earnings Conference Call Details

 <p><b>Thursday, February 25, 2021</b>  <b>ELEMENTIA (BMV: ELEMENT*)</b>          4Q20 Earnings Conference Call          9:00 a.m. (Mexico City) / 10:00 a.m. (EST)</p>	 
<p><b>HOSTED BY:</b></p> <p>Jaime Rocha Font  <b>Chief Executive Officer</b></p> <p>Maria de Lourdes Barajas Flores  <b>Chief Financial Officer</b></p>	<p><b>February 25, 2021</b>          Conference Replay:</p> <p> 1 (844) 488-7474 (USA)          +1 (862) 902-0129 (International)</p> <p>Conference Replay ID:</p> <p> 95223746</p>
<p>A Q&amp;A session will follow the presentation.          Participants will be able to ask questions via telephone.</p> <p><b>Dial-in Number:</b>  <b>1-877-830-2576 (USA)</b>  <b>+1-785-424-1726 (International)</b>  <b>Conference ID: ELEMENTIA</b></p> <p><b>Webcast</b></p> <p><a href="https://webcasts.eqs.com/elementia20210225/en">https://webcasts.eqs.com/elementia20210225/en</a></p>	<p><b>COMPANY CONTACT</b></p> <p>Elementia</p> <p> Iris Fernandez Cruz</p> <p> <a href="mailto:investorrelations@elementia.com">investorrelations@elementia.com</a></p> <p>i-advize Corporate Communications, NY</p> <p> Melanie Carpenter</p> <p> <a href="mailto:mcarpenter@i-advize.com">mcarpenter@i-advize.com</a></p> <p><a href="http://www.elementia.com">www.elementia.com</a></p>
<p>Participants are requested to connect 15 minutes prior to the call</p> <p>Elementia will release its 4Q20 results on  <b>Wednesday, February 24, 2021</b></p> <p>A replay of this call will be available on February 25, 2021          at 1:00 p.m. EST for 7 days, and will also be available at  <a href="http://www.elementia.com">www.elementia.com</a> in the Investor Relations section</p>	



Investor Relation  
Iris Fernández Cruz  
Tel: +52 55 7845-7984  
[investorrelations@elementia.com](mailto:investorrelations@elementia.com)

I-Advize Corporate Communications, Inc.  
Melanie Carpenter  
Tel. +1-917-797-7600  
[mcarpenter@i-advize.com](mailto:mcarpenter@i-advize.com)

#### Disclaimer on forward-looking statements

Figures are stated in nominal Mexican pesos (\$) and all comparisons are made against the same period of the previous year, unless otherwise specified. Figures are stated in nominal Mexican pesos (\$) in accordance to IFRS. As a result of figures roundup, totals may not exactly match the sum of the figures presented. The Audit Committee and the Board of Directors are aware about modification of the IFRS (IFRS9 and IFRS 16) reflected in the figures.

This document contains certain forward-looking statements and information related to Elementia, S.A.B. Of C.V. ("Elementia") that reflect the vision and / or expectations of Elementia and its management team in relation to its performance, business and future events. Forward-looking statements may include, but are not limited to, statements that could predict, project, indicate or imply certain future results, performance or achievements, and may include words "anticipate", "believe," "estimate," "expect", "project", "plan", "predict", "foresee", "forecast", "reach" or any other word or phrase with a similar meaning, which may be given orally or in writing.

The presented results may materially differ from those projected as a result of factors beyond Elementia's control. These factors may include, but are not limited to: economy in general; political and business conditions in Mexico and other markets where we operate; international capital and securities markets performance, as well as economic crises; our ability to refinance our financial obligations; if necessary; competition in the sector and markets; management's expectations and estimates in regards to the Company's future financial performance and financing plans / programs; limited access to financing sources with competitive terms, and compliance with clauses to which we are bound to; our ability to meet debt obligations; our investment plans; currency fluctuations, interest rates or inflation, as well as currency conversion; changes in government legislation and regulation, including environmental regulation, and obligations arising therefrom, and judicial or administrative judgments against us; procurement policies and interpretations; increase in insurance premiums; changes in market prices, customer demand and preference, and competitive conditions; cyclicity and seasonality in our operating results; our ability to implement the corporate strategy; increase in prices of goods and / or services supplied to us, and fluctuations in the prices of the raw material; the imposition of price controls on the products we sell; trade barriers; technological innovation; costs uncertainty and regulation applicable to company mergers and acquisitions or strategic alliances; our ability to make acquisitions for regulatory or other issues, and successfully integrate the operations of the acquired businesses; liability claims including claims related to health, safety and environmental protection issues, as well as claims arising from joint lawsuits in Mexico or other jurisdictions in which we operate; failures in our information obtained from our technology systems, including data and communication systems; the impact by changes in accounting principles, new legislation, actions by regulatory authorities, government announcements and monetary or fiscal policy in Mexico, or in other markets in which we operate; decrease in the sale of our products by independent distributors; our ability to retain qualified personnel and rehire key personnel; our ability to extract synergies from our business mergers and acquisitions activities; delays by suppliers or lack of ability to obtain, under conditions acceptable to us, inputs required by us to produce the products we sell; investigations by federal authorities; and other risk factors.

Forward-looking statements and statements included in this document are subject to various risks, uncertainties and assumptions. In any circumstance these statements only refer to their date of elaboration and Elementia has no obligation to update or revise any of them, whether for new information, future events, among others, unless required by law. Therefore, caution should be exercised when using future projections. The document and its contents belong to the Company and may not be reproduced or distributed as a whole or as part of without prior written consent by Elementia.

#### About Elementia

Elementia is a unique platform that manufactures and commercializes building materials for the construction industry and adds value to all stages of this industry. The Company has grown, both organically and through strategic mergers and acquisitions, consolidating operations in 9 countries in the Americas, showing strong growth in its Cement business unit, while maintaining its leadership in the Metals business, and through our Building Systems unit, we offer lightweight construction products, which is the main building trend in the market. This has been possible thanks to the passion and dedication of its more than 7,000 employees and leadership of its main brands, including: Cementos Fortaleza®, Giant®, Keystone® and Dragon®; Nacobre®; Allura®, Mexalit®, Plycem®, Eternit®, Duralit® y Fibrforte®.