



Well-defined competitive advantages to drive incremental value generation in the long haul

EARNINGS RELEASE 3Q21



PRODUCTS



CEMENT

PRODUCTS:
GREY CEMENT,
WHITE CEMENT,
MORTAR AND CONCRETE



MARKETS: Construction
and infrastructure



FORTALEZA MATERIALES' RESULTS FOR THE THIRD QUARTER 2021¹

Mexico City, Mexico, October 28th, 2021 - Fortaleza Materiales, S.A.B. de C.V. (BMV: FORTALE*) ("the Company", or "Fortaleza Materiales") reports its unaudited financial and operating results for the third quarter of 2021 ("3Q21"). This earnings release is prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The figures are expressed in millions of nominal Mexican pesos (\$) and may vary due to rounding.

Highlights

- This earnings release was prepared based on business considerations arising from the spin-off of the Building Systems and Metals (now Elementia Materiales) business units from Elementia (its name was changed to Fortaleza Materiales); therefore, for comparability purposes, unaudited pro forma figures are used for quarterly and accumulated figures.
- During 3Q21, Elementia, S.A.B. de C.V. changed its name to Fortaleza Materiales, S.A.B. de C.V., and its ticker symbol changed from "ELEMENT" to "FORTALE" in the Mexican Stock Exchange. All this, following the spin-off of the Building Systems and Metals business units from Elementia, S.A.B. de C.V. (now Fortaleza Materiales, S.A.B. de C.V.), resulting in the creation of Elementia Materiales, S.A.B. de C.V.
- In 3Q21, operating income grew 99% compared to the same period last year, despite the overall increase in input costs.
- At the end of 3Q21, Fortaleza Materiales' accumulated net income increased 1,078%, to \$1,760 million, reflecting its strategy centered on profitability and operating efficiency.
- The leverage ratio at the end of 3Q21 was 2.51x and interest coverage was 3.98x.

The 2021 strategy is customer-centric, remaining focused on profitability and operating efficiency to raise cash flows and operating margins.

Fortaleza Materiales main objectives are as follows:

- 1) **Cement United States – Sustained growth**
 - For the first nine months of 2021, sales and EBITDA increased 2% and 6%, respectively, and operating income increased by 443%, mainly due to our operating efficiency strategy and strict financial discipline, which led EBITDA margin to climb to 20% in 3Q21

¹Fortaleza Materiales' 3Q21 earnings conference call will be held on October 29, 2021. Access information is available in the appendixes of this earnings release. The report, transcript and audio can be downloaded at <https://www.fortalezamateriales.com/investors>.

Key Indicators

Operating

Δ% Year/Year	Third Quarter 2021	January - September 2021
Cement BU volume – Mexico	(8%)	6%
Cement BU volume - United States	6%	8%
Cement BU volume – Central America	9%	24%

Financial

MXN millions	Third Quarter Proforma			January – September Proforma		
	2021	2020	Δ%	2021	2020	Δ%
Net Sales	3,242	3,339	(3%)	9,448	8,705	9%
Cost of sales	1,674	2,362	(29%)	6,609	6,373	4%
Gross profit	1,568	977	60%	2,839	2,332	22%
% of net sales	48%	29%	19.1 pp	30%	27%	3.3 pp
Operating expenses	192	285	(33%)	856	899	(5%)
Operating income	1,376	692	99%	1,983	1,433	38%
% of net sales	42%	21%	21.7 pp	21%	16%	4.5 pp
EBITDA	990	1,019	(3%)	2,633	2,396	10%
% of net sales	31%	31%	0.0 pp	28%	28%	0.3 pp
Cement net income (loss)	911	317	187%	1,123	352	219%
Income (loss) from discontinued operations	224	(1)	22500%	637	(532)	220%
Net Income (loss)*	1,135	316	259%	1,760	(180)	1078%

*Quarterly consolidated net income includes July and August figures from Building Systems and Metals. Likewise, accumulated net income includes January to August figures from same business units

Balance Sheet

MXN millions	Sep 2021	Dec 2020 Proforma	Δ%
Cash and cash equivalents	1,306	3,134	(58%)
Working Capital	1,283	998	29%
Receivables, net	1,121	1,085	3%
Inventories, net	1,561	1,454	7%
Payables	1,399	1,541	(9%)
Total Debt	9,936	13,437	(26%)
Net Debt	8,630	10,303	(16%)

Others

MXN millions (Proforma)	Sep 2021	Sep 2020	Δ%
Free cash flow	(2,406)	1,269	(290%)
Operating	2,787	2,200	27%
Investments	(288)	(354)	(19%)
Financing	(4,905)	(577)	750%
Proforma¹	Sep 2021	Dec 2020	Δ%
EBITDA LTM	3,445	3,208	7%
Leverage ratio	2.51x	3.21x	(0.71x)
Interest coverage ratio	3.98x	3.09x	0.89x
Employees	1,345	1,221	10%

1) Proforma figures except for the employees item

Net Sales
Net Sales per business unit

MXN millions	Proforma				
	3Q21	2Q21	3Q20	Δ% Q/Q	Δ% Year/Year
Cement Mexico	1,540	1,648	1,613	(7%)	(5%)
Cement United States	1,598	1,597	1,621	0%	(1%)
Cement Central America	104	134	105	(22%)	(1%)
Sales generated by assets for disposal ²	3,539	4,889	4,175	(28%)	(15%)
Total Fortaleza Materiales¹	6,781	8,268	7,514	(18%)	(10%)

1) Does not include holding and eliminations

2) Represents the operations of the spun-off legal entities in 2021

Net Sales per destination

MXN millions	Proforma				
	3Q21	2Q21	3Q20	Δ% Q/Q	Δ% Year/Year
United States	1,598	1,597	1,846	0%	(13%)
Mexico	1,567	1,674	1,684	(6%)	(7%)
Central America	78	108	35	(28%)	125%
Sales generated by assets for disposal ²	2,974	5,030	4,105	(41%)	(28%)
Total Fortaleza Materiales¹	6,217	8,409	7,670	(26%)	(19%)

1) Does not include holding and eliminations

2) Represents the operations of the spun-off legal entities in 2021

Consolidated net sales reached \$9,448 million during 2021, a 9% growth when compared to the same period last year, mainly due to higher volumes and prices in local currency across all regions.

During 3Q21, sales volume decreased 3%, mainly due to softer business conditions in the Mexican market. It is important to mention that "disposal group" refers to the pro forma sales of Building Systems and Metals business units ("Elementia Materiales, S.A.B. de C.V.") based on IFRS-5, for the treatment of assets classified as held for sale due to the spin-off of Elementia.

Operating Income

3Q21 operating income reached \$1,376 million, up 99% compared to 3Q20, as a result of the reversal of the Keystone impairment, which positively impacted cost of sales. This impairment had been recognized in 2019 when the Keystone plant was classified as an "Asset held for sale" according to IFRS 5 accounting standards.

EBITDA by Business Unit

MXN millions	Proforma				
	3Q21	2Q21	3Q20	Δ% Q/Q	Δ% Year/Year
Cement Mexico	600	693	653	(13%)	(8%)
Cement United States	322	233	316	38%	2%
Cement Central America	32	42	31	(24%)	3%
EBITDA generated by assets for disposal ²	376	538	285	(30%)	32%
Total Fortaleza Materiales¹	1,330	1,506	1,285	(12%)	4%

1) Does not include holding and eliminations

2) Represents the operations of the spun-off legal entities in 2021

3Q21 EBITDA was \$990 million, a 3% decrease versus the same period last year, mainly affected by lower volumes and, therefore, lower sales in Mexico and Costa Rica.

YTD 2021 EBITDA totaled \$2,633 million, a 10% increase over the 2020. EBITDA margin was 28% at the end of 3Q21, an increase of 30 basis points compared to the same period last year.

It is important to mention that "disposal group" refers to the proforma sales of Building Systems and Metals business units ("Elementia Materiales, S.A.B. de C.V.") based on IFRS-5, for the treatment of assets classified as held for sale due to the spin-off of Elementia.

Financing Result

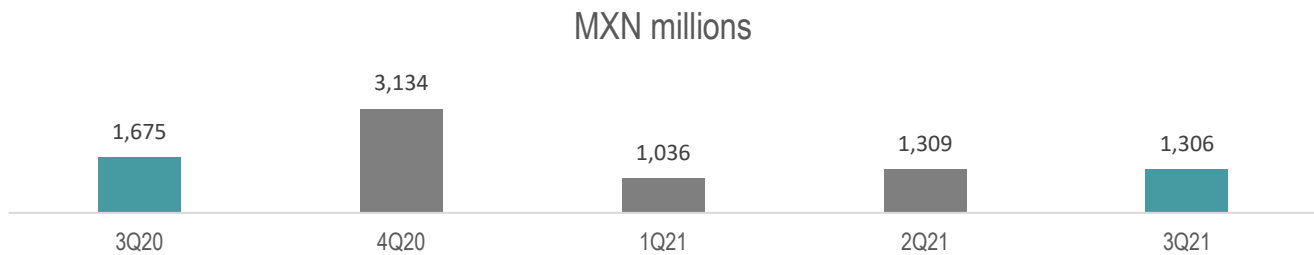
Comprehensive financing cost

MXN millions	Third Quarter Proforma			January – September Proforma		
	2021	2020	Δ%	2021	2020	Δ%
Interest income	15	(4)	475%	40	7	471%
Interest expense	(161)	(207)	(22%)	(558)	(697)	(20%)
Bank commissions	(6)	(8)	(25%)	(33)	(30)	10%
Net exchange loss (profit)	90	18	400%	196	74	165%
Total comprehensive financing cost, net	(62)	(201)	(69%)	(355)	(646)	(45%)

In 3Q21, the Company's comprehensive financing cost decreased 69% compared to 3Q20, mainly due to lower interest expense, despite interest rate hikes. Additionally, Fortaleza Materiales recorded a higher interest income and a positive exchange rate effect.

Net Income

Cement net income reached \$911 million in the third quarter and \$1,123 million during 2021, representing growths of 187% and 219%, respectively, when compared to the same period 2020, mainly due to the reclassification of Keystone's held-for-sale assets, as it led to the reversal of the impairment loss recognized in 2019 in accordance with IFRS 5 ("Non-current assets held for sale and discontinued operations").

Cash and cash equivalents


Cash and cash equivalents decreased 58% when compared to year-end 2020, mainly due to the use of cash surpluses for debt prepayments in January and April. Similarly, working capital deployment increased, mainly due to incremental prices of petcoke, which is one of the main raw materials for cement production.

Free Cash Flow

MXN millions	January – September Proforma		
	2021	2020	Δ%
EBITDA	2,633	2,396	10%
Change in working capital	(284)	(51)	(457%)
Cash taxes	(357)	(158)	(126%)
Interest, net	(812)	(779)	(4%)
Bank commissions	(33)	(30)	(10%)
Cash flow before Capex	1,147	1,378	(17%)
% of EBITDA	44%	58%	(0.2 pp)
CAPEX	(458)	(361)	(27%)
Free cash flow before financing	689	1,017	(32%)
Incurring (paid) debt	(3,838)	(185)	(1975%)
Others	(993)	(349)	(185%)
Sale (buy) stock buyback	(74)	(43)	(72%)
Free cash flow	(4,216)	440	(1058%)

As of 3Q21, cash flow before Capex was \$1,147 million and represented 44% of EBITDA. The cash outflow is mainly due to higher working capital and startup of the expanded line at "El Palmar" plant and new milling plant in "El Salvador".

Net Receivables – by Business Unit

MXN millions	Sep 2021	Dec 2020 Proforma	Sep 2020	Δ% Sep 2021 vs. Dec 2020	Δ% Year/Year
Cement Mexico	294	336	540	(12%)	(46%)
Cement United States	819	740	796	11%	3%
Cement Central America	8	9	10	(12%)	(18%)
Total Net Receivables	1,121	1,085	1,347	3%	(17%)

Net receivables rose from \$1,085 million at year-end 2020 to \$1,121 million at the end of 3Q21, a 3% increase driven by higher sales and prices.

Net Inventories – by Business Unit

MXN millions	Sep 2021	Dec 2020 Proforma	Sep 2020	Δ% Sep 2021 vs. Dec 2020	Δ% Year/Year
Cement Mexico	540	446	387	21%	40%
Cement United States	961	928	1,034	4%	(7%)
Cement Central America	60	80	94	(26%)	(36%)
Total Net Inventories	1,561	1,454	1,514	7%	3%

As of September 30, 2021, inventories were \$1,561 million, 7% higher when compared to 2020, in line with the purchasing strategy to guarantee the availability of raw materials for production processes.

Net Property, Plant, and Equipment – by Business Unit

MXN millions	Sep 2021	Dec 2020 Proforma	Sep 2020	Δ% Sep 2021 vs. Dec 2020	Δ% Year/Year
Cement Mexico	9,774	10,068	10,093	(3%)	(3%)
Cement United States	9,066	6,043	6,850	50%	32%
Cement Central America	536	354	409	52%	31%
Total Net Property, Plant, and Equipment ¹	19,376	16,465	17,352	18%	12%

1) Does not include holding

The assets of the Keystone plant were reclassified to property, plant and equipment, based on the provisions of IFRS 5.

Payables – by Business Unit

MXN millions	Sep 2021	Dec 2020 Proforma	Sep 2020	Δ% Sep 2021 vs. Dec 2020	Δ% Year/Year
Cement Mexico	819	852	808	(4%)	1%
Cement United States	535	653	838	(18%)	(36%)
Cement Central America	45	30	36	50%	25%
Total Payables ¹	1,399	1,535	1,682	(9%)	(17%)

1) Does not include holding

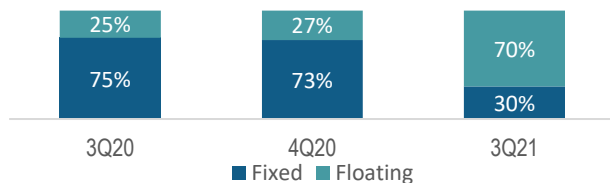
As of September 30, 2021, payables were \$1,399 million, a reduction of 9% compared to 2020, due to the global shortage of raw materials that pressured input costs and the settlements made on advance payments to strategic suppliers.

Debt Profile

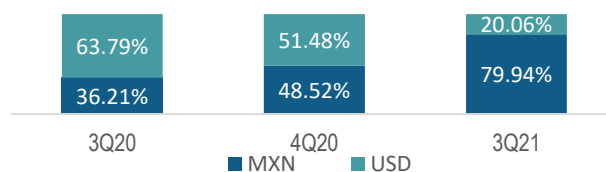
MXN millions	Sep 2021	Dec 2020 Proforma	Δ% Sep 2021 vs. Dec 2020
Short-term debt	3,142	7,651	(59%)
Long-term debt	6,794	5,786	17%
Total debt	9,936	13,437	(26%)
Net debt	8,630	10,303	(16%)
Net financial expense ¹	866	1,039	(17%)
EBITDA LTM ¹	3,445	3,208	7%
Leverage ratio ¹	2.51x	3.21x	(0.71x)
Interest coverage ratio ¹	3.98x	3.09x	0.89x

1) Proforma

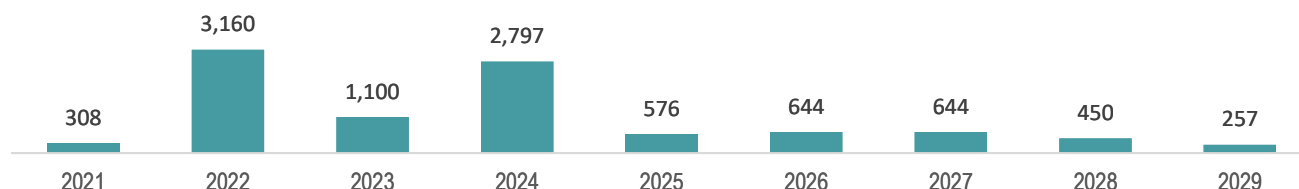
Debt by Rate



Debt by Currency



Maturity Profile (MXN millions)



Gross debt as of 3Q21 was \$9,936 million, given the debt split conducted from to the spin-off.

The above provides us with a solid financial position. At 3Q21-end, Fortaleza Materiales posted a leverage ratio of 2.51x and a coverage ratio of 3.98x.

It is worth noting that the agreements reached with our creditors, which are based on the cross-guarantees that mature until July 2024, take into account consolidated covenants for the total debt of Fortaleza Materiales, which were established at 2.23x for leverage ratio and 4.60x for coverage ratio.

At the end of 3Q21, roughly 80% of the Company's gross debt was denominated in Mexican pesos, which largely limits the FX rate risk (in addition, the Company counts on a natural hedge provided by its operations in the United States). Additionally, 30% of the debt is subscribed at a fixed rate and 70% at a floating rate.

Shareholders' equity

Stockholders' Equity amounted to \$11,263 million as of September 30, 2021, following the asset and debt split from the spin-off.

Results By Business Unit

Cement Business Unit – Mexico

MXN millions	Third Quarter Proforma			January – September Proforma		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	1,540	1,613	(5%)	4,701	4,074	15%
Operating income	449	484	(7%)	1,372	1,221	12%
% of net sales	29%	30%	(0.9 pp)	29%	30%	(0.8 pp)
EBITDA	600	653	(8%)	1,851	1,693	9%
% of net sales	39%	40%	(1.5 pp)	39%	42%	(2.2 pp)
Δ% in sales volume	(8%)			6%		
Δ% in average price	4%			9%		

During 3Q21, in Mexico, after the elections, a contraction in demand was observed, which affected sales volumes and caused 5% and 8% decreases in net sales and EBITDA, respectively. In addition, a 150 basis-point impact on margins was recorded due to the overall rise in industry-related costs.

Nonetheless, year-to-date, Cement Mexico posted annual growth rates of 15% in net sales and of 9% in EBITDA, with growths of 12% in operating income, and an EBITDA margin of 39% in the same period.

Cement Business Unit – United States

MXN millions	Third Quarter Proforma			January – September Proforma		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	1,598	1,621	(1%)	4,385	4,307	2%
Operating income	864	162	433%	434	80	443%
% of net sales	54%	10%	44.0 pp	10%	2%	8.0 pp
EBITDA	322	316	2%	593	560	6%
% of net sales	20%	19%	0.7 pp	14%	13%	0.5 pp
Δ% in sales volume	6%			8%		
Δ% in average price	(7%)			(6%)		

In 3Q21, our Cement United States business recorded a 2% hike in EBITDA, despite weather-related headwinds and a reduction in prices due to the oversupply of cement in the regions where we operate. Likewise, a positive impact of 433% was registered at operating income, mainly derived from the cancellation of the Keystone sale and the non-cash accounting reversal in cost of sales pursuant to IFRS-5 accounting standards, to cancel out the accounting provisions conducted in 4Q19.

Cement Business Unit – Central America

MXN millions	Third Quarter Proforma			January – September Proforma		
	2021	2020	Δ%	2021	2020	Δ%
Net sales	104	105	(1%)	362	324	12%
Operating income	29	27	6%	99	81	22%
% of net sales	28%	26%	1.9 pp	27%	25%	2.3 pp
EBITDA	32	31	3%	110	93	18%
% of net sales	31%	30%	1.3 pp	30%	29%	1.5 pp
Δ% in sales volume	9%			24%		
Δ% in average price	(9%)			(10%)		

Year-to-date Cement Central America posted increases of 12% in net sales and 18% in EBITDA when compared to same period 2020. This result attests the steady recovery of the demand and of our sale volumes during 2021. Operating income rose 22% and EBITDA margin reached 30%, which reflects our commitment to make the most of the available resources and maintain a highly-efficient operation.

Recent developments

- On September 1, the corporate name and ticker symbol of ELEMENT was changed to FORTALE following the completion of the spin-off of Elementia S.A.B. de C.V.
- On August 23, the Company issued a report on the changes in the capital stock and number of shares in Elementia, as a result of the spin-off, as well as the change in Elementia's corporate name and ticker symbol.

About Fortaleza Materiales

This earnings release was prepared based on business considerations arising from the spin-off of the Building Systems and Metals (now Elementia Materiales) business units from Elementia (whose name was changed to Fortaleza Materiales); therefore, for comparability purposes, unaudited pro forma figures are used for quarterly and accumulated figures..

Fortaleza Materiales is a cement company with a strong organic growth and, through Cementos Fortaleza® and the strategic acquisitions of Giant®, Keystone® and Dragon®, it provides structural solutions for the foundations, columns, floors and ceilings of houses, shopping malls, offices, hospitals, among other facilities, in Mexico, the United States and Latin America. Fortaleza Materiales has more than 1,300 employees.

Analyst Coverage

- HSBC
- Morgan Stanley
- Santander
- Bank of America Merrill Lynch
- Citi
- UBS
- Apalache Analisis
- CI-Banco
- Vector

Disclaimer on forward-looking statement

This document contains certain forward-looking statements and information related to Fortaleza Materiales, S.A.B. de C.V. ("Fortaleza Materiales") that reflect the vision and / or expectations of Fortaleza Materiales 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 Fortaleza Materiales' 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. In any circumstance these statements only refer to their date of elaboration and Fortaleza Materiales 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 Fortaleza Materiales.

3Q21 earnings conference call (only in English)



**FORTALEZA
MATERIALES**

3Q21 CONFERENCE CALL

Fortaleza Materiales invites you to participate in its **Conference Call** to discuss the results of the Third Quarter of 2021

<p>PARTICIPANTS: Jaime Rocha Font CEO María de Lourdes Barajas CFO Iris Fernandez IRO</p>	<p>DATE: Friday, October 29th, 2021</p>
<p>DIAL-IN NUMBER</p> <p>USA: +1 (844) 407 - 9500</p> <p>MEXICO INTERNATIONAL: 001 (862) 298 - 0850</p>	<p>TIME: 09:00 a.m. (Central Time, Mexico City) 10:00 a.m. (Eastern Time, New York)</p> <p>PASSCODE: FORTALEZA</p>

Likewise, from your PC you can go to: <http://webcast.investorcloud.net/fortaleza/index.html>

<p>MP3 RECORDING: Available 60 min. after the Conference Call at: https://www.fortalezamateriales.com</p>	<p>CONTACT: Iris Fernandez IRO +52 (55) 5728 5589 ifernandezc@elementia.com</p>	<p>3Q21 earnings release date: Thursday, October 28, 2021 (after market close)</p>
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Appendixes

Income Statement	MXN millions	Third Quarter Proforma			January – September Proforma		
		2021	2020	Δ%	2021	2020	Δ%
Net Sales		3,242	3,339	(3%)	9,448	8,705	9%
Cost of sales		1,674	2,362	(29%)	6,609	6,373	4%
Gross profit		1,568	977	60%	2,839	2,332	22%
Operating expenses		192	285	(33%)	856	899	(5%)
Operating income		1,376	692	99%	1,983	1,433	38%
EBITDA		990	1,019	(3%)	2,633	2,396	10%
% of net sales		31%	31%	0.0 pp	28%	28%	0.3 pp
Interest income		15	(4)	475%	40	7	471%
Interest expense		(161)	(207)	(22%)	(558)	(697)	(20%)
Bank commissions		(6)	(8)	(25%)	(33)	(30)	10%
Net exchange loss (profit)		90	18	400%	196	74	165%
Comprehensive financing result, net		(62)	(201)	(69%)	(355)	(646)	(45%)
Income before income taxes		1,314	491	168%	1,628	787	107%
Income tax		403	174	132%	505	435	16%
Cement net income (loss)		911	317	187%	1,123	352	219%
Income (loss) from discontinued operations		224	(1)	22500%	637	(532)	220%
Net Income (loss)*		1,135	316	259%	1,760	(180)	1078%

Income Statement	USD millions ¹	Third Quarter Proforma			January – September Proforma		
		2021	2020	Δ%	2021	2020	Δ%
Net Sales		160	149	7%	465	388	20%
Cost of sales		82	105	(22%)	325	284	15%
Gross profit		77	44	77%	140	104	35%
Operating expenses		9	13	(25%)	42	40	5%
Operating income		68	31	120%	98	64	53%
EBITDA		49	45	7%	130	107	22%
% of net sales		0.3	0.3	0.02 pp	0.3	0.3	0.30 pp
Interest income		1	(0.2)	(515%)	2	0.3	532%
Interest expense		(8)	(9)	(14%)	(27)	(31)	(11%)
Bank commissions		(0.3)	(0.4)	(17%)	(2)	(1)	22%
Net exchange loss (profit)		4	1	453%	10	3	193%
Comprehensive financing result, net		(3)	(9)	(66%)	(17)	(29)	(39%)
Income before income taxes		65	22	196%	80	35	129%
Income tax		20	8	156%	25	19	28%
Cement net income (loss)		45	14	218%	55	16	253%
Income (loss) from discontinued operations		11	(0)	(24873%)	31	(24)	(232%)
Net Income (loss)*		56	14	297%	87	(8)	(1181%)

¹For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$20.3060 and \$22.4573 per U.S. dollar (exchange rate to settle foreign currency obligations on September 30, 2021 and 2020, respectively, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).

*Quarterly consolidated net income includes July and August figures from Building Systems and Metals. Likewise, accumulated net income includes January to August figures from same business units

Balance Sheet

MXN millions	Sep 2021	Dec 2020 Proforma	Δ%	Sep 2021 (USD millions) ¹
Cash and cash equivalents	1,306	3,134	(58%)	64
Receivables, net	1,121	1,085	3%	55
Inventories, net	1,561	1,454	7%	77
Other receivables and currents assets	527	3,779	(86%)	26
Current assets	4,515	9,452	(52%)	222
Other receivables, net				
Investment in associated companies and others				
Property, plant and equipment, net	19,376	16,525	17%	954
Right of use asset	650	593	10%	32
Intangible assets, net	3,469	3,625	(4%)	171
Deferred assets Tax	776	613	27%	38
Other assets	57	-	0%	3
Non-current assets	24,328	21,356	14%	1,198
Total assets	28,843	30,808	(6%)	1,420
Short term debt	3,142	7,651	(59%)	155
Payables	1,399	1,541	(9%)	69
Other current liabilities	1,222	2,674	(54%)	60
Current liabilities	5,763	11,866	(51%)	284
Long term debt	6,794	5,786	17%	335
Deferred taxes	2,637	2,242	18%	130
Other long term liabilities	2,386	2,072	15%	118
Long term liabilities	11,817	10,100	17%	582
Total liabilities	17,580	21,966	(20%)	866
Shareholders' Equity	11,263	8,842	27%	555
Equity attributable to owners of the Entity	10,032	7,734	30%	494
Capital stock	4,443	4,443	0%	219
Additional paid-in capital	3,165	2,320	36%	156
Retained earnings	3,005	1,114	170%	148
Other comprehensive income	(581)	(143)	(306%)	(29)
Non- controlling interest	1,231	1,108	11%	61
Total liabilities and shareholders' equity	28,843	30,808	(6%)	1,420

¹For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$20.3060 per U.S. dollar (exchange rate to settle foreign currency obligations on September 30, 2021, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).

Statement of Cash Flow
January – September Proforma

MXN millions	2021	2020	Δ%	2021 (USD millions) ¹
Net income (loss)	1,760	(180)	1078%	87
Depreciation, amortization and impairment	650	963	(33%)	32
Gain on disposal of fixed assets	(22)			(1)
Interest income	(40)	(7)	471%	(2)
Interest expense	558	697	(20%)	27
Exchange loss (gain)	149	1,280	(88%)	7
Other items	1,101	15	7240%	54
Non cash figures	4,156	2,768	50%	205
Net cash flow (used) provided by working capital	(1,369)	(568)	(141%)	(67)
Increase in accounts receivable	(36)	(694)	(95%)	(2)
(Increase) decrease in inventories	(107)	(20)	(435%)	(5)
Increase in other receivables and other current assets	(130)	(658)	(80%)	(6)
Increase in trade accounts payable	(141)	663	(121%)	(7)
(Decrease) increase in other liabilities	(955)	141	(777%)	(47)
Net cash flow provided by operating activities	2,787	2,200	27%	137
Other payments for joint ventures	(3)			(0.1)
Acquisition of property, machinery and equipment	(458)	(361)	27%	(23)
Other assets	173	7	2371%	9
Net cash flow used in investing activities	(288)	(354)	(19%)	(14)
Incurring (paid) debt	(3,723)	(185)	1912%	(183)
Increase stock buyback	(74)	(43)	72%	(4)
Bank loans and others, net	(1,108)	(349)	217%	(55)
Net cash used in financing activities	(4,905)	(577)	750%	(242)
Net (decrease) increase in cash and cash equivalents	(2,406)	1,269	(290%)	(118)
Effects differences on translating foreign operations	578	(529)	209%	28
Cash and cash equivalents at the beginning of the period	3,134	937	234%	154
Cash and cash equivalents at the end of the period	1,306	1,677	(22%)	64

¹For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$20.3060 per U.S. dollar (exchange rate to settle foreign currency obligations on September 30, 2021, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).