



# 1Q22

## EARNINGS RELEASE

Driving steady, profitable growth by offering and developing innovative, high-quality building solutions

## BUSINESS UNITS



## ELEMENTIA MATERIALES: RESULTS FOR THE FIRST QUARTER OF 2022

Mexico City, Mexico, April 29<sup>th</sup>, 2022 - Elementia Materiales, S.A.B. de C.V. (BMV: ELEMAT\*) ("the Company", or "Elementia Materiales") reports the forwarding of its unaudited financial and operating results for the first quarter of 2022 ("1Q22"). This earnings release is prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). 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 spinoff of the Building Systems and Metals business units (now Elementia Materiales) from Elementia (whose name was changed to Fortaleza Materiales); therefore, for the purposes of comparison, unaudited pro forma figures are used for quarterly figures.
- Elementia Materiales posted a 56% increase in consolidated EBITDA and an EBITDA margin of 11%, an expansion of 200 basis points over 1Q21.
- Sales were up 28% and operating income 113% year-over-year, driven by solid, stable demand and efficient operations despite cost increases and supply chain disruptions.
- Net income for Elementia Materiales rose 79% to end the quarter at \$265 million, compared to \$148 million in 1Q21.
- The leverage ratio at the end of 1Q22 was 1.23x and interest coverage was 8.16x.

Our 2022 strategy will remain focused on quality and on meeting demand for our clients with the core goal of maintaining steady, profitable growth in all our operations. We will also incorporate sustainability elements such as management of water, waste and emissions in all our processes.

Our main goals are:

- 1) **Expanding production capacity in some LatAm businesses**
  - Startup and ramp-up of the trims line in Honduras
  - Startup and ramp-up of Mi Concreto in Costa Rica
  - Construction and expansion of nameplate capacity at the Nuevo Laredo Plant in Mexico and the Roaring River Plant in the US.
- 2) **Improve productivity and enhance profitability**
  - In 1Q22, Building Systems US reported a 47% growth in sales and a 187% growth in EBITDA, both compared to 1Q21, due to a better positioning for our products, which drove higher demand and allowed for higher prices.
  - In Metal Products, sales were up 33% compared to the year-earlier period and EBITDA 40%, helped by copper prices and a focus on marketing more profitable products.
  - Building Systems LatAm posted year-over-year growth of 2% in sales and 15% in EBITDA, fueled by stable demand and higher prices.

## Key Indicators

### Operating

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Consolidated Metal Products BU volume	12,788	11,711	9%
Building Systems Business BU volume - United States	104,296	92,529	13%
Building Systems Business BU volume - LatAm	143,740	142,203	1%
Building systems BU volume - Intercompany eliminations	(32,729)	(29,647)	(10%)

### Financial

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Net Sales	5,800	4,535	28%
Cost of goods sold	4,688	3,703	27%
Gross profit	1,112	832	34%
% of net sales	19%	18%	0.8 pp
Operating expenses	650	615	6%
Operating income	462	217	113%
% of net sales	8%	5%	3.2 pp
EBITDA	659	423	56%
% of net sales	11%	9%	2.04 pp
Net Income (loss)	265	148	79%

### Balance sheet

MXN million	March 2022	Dec 2021	Δ%
Cash and cash equivalents	1,146	1,502	(24%)
Working Capital	5,127	4,843	6%
Receivables, net	3,448	2,947	17%
Inventories, net	4,038	4,139	(2%)
Payables	2,359	2,243	5%
Total Debt	3,912	4,183	(6%)
Debt, net	2,766	2,681	3%

### Others

MXN million (Pro Forma)	March 2022	Dec 2021	Δ%
Free Cash Flow	(341)	422	(181%)
Operating	365	261	40%
Investments	(349)	(68)	413%
Financing	(357)	229	(256%)

Pro Forma <sup>1</sup>	March 2022	Dec 2021	Δ%
EBITDA LTM	2,255	2,020	12%
Leverage ratio	1.23x	1.33x	0%
Interest coverage ratio	8.16x	7.92x	3%
Employees	5,300	5,260	1%

1) Pro forma figures except for employees

## Net Sales

### Net sales per business unit

MXN million	1Q22	4Q21	1Q21 <sup>2</sup>	Δ% Q/Q	Δ% Year/Year
Metal Products	2,955	2,666	2,222	11%	33%
Building Systems United States	1,603	1,306	1,094	23%	47%
Building Systems LatAm	1,216	1,085	1,191	12%	2%
Total Elementia Materiales <sup>1</sup>	-	5,774	5,057	14%	28%

1) Excluding holding and intercompany eliminations

2) Pro forma information

### Net sales per destination

MXN million	1Q22	4Q21	1Q21 <sup>2</sup>	Δ% Q/Q	Δ% Year/Year
United States	2,476	2,121	1,697	17%	46%
Mexico	2,009	1,869	1,687	7%	19%
Central America	318	272	258	17%	23%
South America	904	883	792	2%	14%
Rest of the World	93	82	101	13%	(8%)
Total Elementia <sup>1</sup>	5,800	5,227	4,535	11%	28%

1) Includes holding and intercompany eliminations

2) Pro forma information

Net sales in 1Q22 totaled \$5.8 billion, a 28% advance over the same period of last year, primarily due to a pricing strategy that offset cost increases and inflation in the countries where we operate

## Operating income

Operating income closed 1Q22 at \$462 million, 113% higher than in the same quarter of last year, driven by higher sales and the pricing strategy applied mainly in Metals and Building Systems US.

## EBITDA by business unit

MXN million	1Q22	4Q21	1Q21 <sup>2</sup>	Δ% Q/Q	Δ% Year/Year
Metal Products	210	169	150	24%	40%
Building Systems United States	238	125	83	90%	187%
Building Systems LatAm	196	173	170	13%	15%
Total Elementia Materiales <sup>1</sup>	644	467	403	38%	60%

1) Excluding holding and intercompany eliminations

2) Pro forma information

First-quarter EBITDA totaled \$659 million, up 56% over the year-earlier period, despite higher prices on our main raw materials and the impact of inflation in various markets where we operate. Elementia Materiales was able to make up for these effects through more efficient processes and a dynamic pricing strategy.

The EBITDA margin was 11% in 1Q22, a 200bp growth over the first quarter of 2021.

## Financing Result

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Interest income	4	21	(81%)
Interest expense	(80)	(76)	5%
Bank fees	(3)	(8)	(63%)
Net foreign-exchange loss (gain)	(47)	38	(224%)
Total comprehensive financing cost, net	(126)	(25)	404%

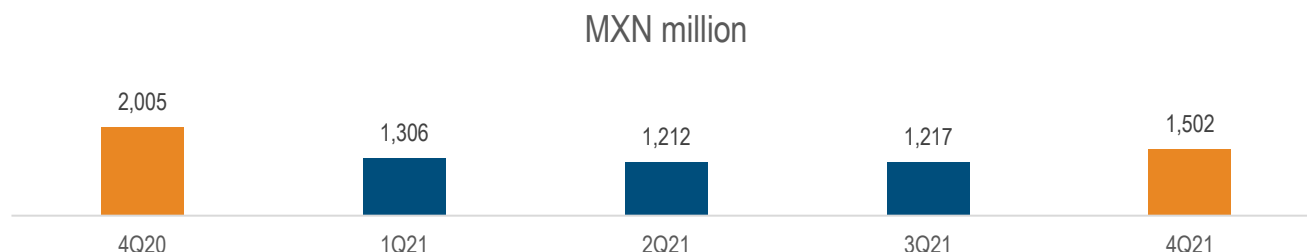
In 1Q22, comprehensive financing cost grew 404% compared to 1Q21, primarily due to an increase in interest expense resulting from the global uptrend in rates that began in 2021, as well as the impact of exchange-rate fluctuations on various of the operations of Elementia Materiales.

## Net Income

Net income totaled \$265 million in 1Q22, a 79% advance over 1Q21, the result of higher sales and the successful implementation of pricing, working capital optimization and profitability strategies.

## Statement of Financial Position

### Cash & Equivalents



Cash and equivalents dropped 24% during the first quarter of 2022, mainly because the company used excess cash to pay down debt and finance investment projects. At the same time, working capital deployment rose by 6%, chiefly due to supply chain disruptions involving our main raw materials.

### Free Cash Flow

MXN million	January – March Pro Forma		
	2022	2021	Δ%
<b>EBITDA</b>	<b>659</b>	<b>423</b>	<b>56%</b>
Change in working capital	(284)	(368)	23%
Cash taxes, net	(11)	(23)	(53%)
Interest, net	(77)	(100)	(23%)
Bank fees	(3)	(8)	(63%)
<b>Cash flow before Capex</b>	<b>284</b>	<b>(76)</b>	<b>474%</b>
% of EBITDA	43%	-18%	61.1 pp
Capex	(356)	(45)	691%
<b>Free cash flow before financing</b>	<b>(72)</b>	<b>(121)</b>	<b>41%</b>
Debt incurred (paid)	(266)	393	(168%)
Others	(10)	(43)	77%
Stock sales (purchases) from repurchase reserve			0%
<b>Free cash flow</b>	<b>(348)</b>	<b>229</b>	<b>(252%)</b>

Cash flow before Capex totaled \$284 million in the first quarter, equivalent to 43% of EBITDA, a 474% growth over 1Q21. We used the excess cash to pay off the revolving line of credit from Ve por Más and to finance organic expansion products to boost quality in all the Business Units.

## Net Receivables – by Business Unit

MXN million	Mar 2022	Dec 2021	Δ%
Metal Products	2,272	1,915	19%
Building Systems United States	607	524	16%
Building Systems LatAm	569	508	12%
Total Net Receivables	3,448	2,947	17%

Net receivables increased rose 17%, to \$3.45 billion at the end of March 2022, due mainly to higher long-term sales

## Net Inventories – by Business Unit

MXN million	Mar 2022	Dec 2021	Δ%
Metal Products	2,066	2,196	(6%)
Building Systems United States	941	980	(4%)
Building Systems LatAm	1,031	963	7%
Total Net Inventories	4,038	4,139	(2%)

As of March 31, 2022, inventories were \$4.04 billion, 2% lower than in 4Q21, mainly due to a reduction in finished product in stock at Building Systems US and Metal Products, and copper price volatility

## Net Property, Plant, and Equipment – by Business Unit

MXN million	Mar 2022	Dec 2021	Δ%
Metal Products	3,318	3,357	(1%)
Building Systems United States	1,980	1,879	5%
Building Systems LatAm	4,080	4,001	2%
Total Net Property, Plant, and Equipment <sup>1</sup>	9,378	9,237	2%

<sup>1</sup>) Excluding holding and intercompany eliminations

The value of fixed assets rose 2% in the quarter, primarily because of expansion projects that are under way in various parts of LatAm.

## Payables – by Business Unit

MXN million	Mar 2022	Dec 2021	Δ%
Metal Products	1,217	1,215	0%
Building Systems United States	261	285	(8%)
Building Systems LatAm	874	734	19%
<b>Total Payables<sup>1</sup></b>	<b>2,352</b>	<b>2,234</b>	<b>5%</b>

<sup>1</sup>) Excluding holding and intercompany eliminations

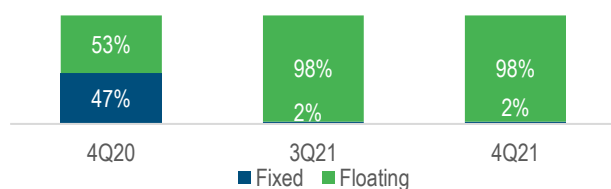
Payables increased 5% to \$2.35 billion at the end of 1Q22, mainly due to the extension of payment terms offered to suppliers, chiefly at Building Systems LatAm.

## Debt Profile

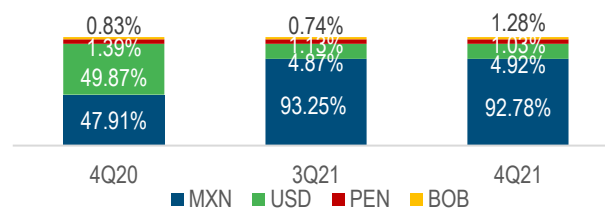
MXN million	March 2022	Dec 2021	Δ% March 2022 vs Dec 2021
Short-term debt	1,686	1,946	(13%)
Long-term debt	2,226	2,237	(0%)
<b>Total debt</b>	<b>3,912</b>	<b>4,183</b>	<b>(6%)</b>
Cash and equivalents	1,146	1,502	(24%)
<b>Net debt</b>	<b>2,766</b>	<b>2,681</b>	<b>3%</b>
Net financial expense	276	255	8%
EBITDA LTM	2,255	2,020	12%
<b>Leverage ratio<sup>1</sup></b>	<b>1.23x</b>	<b>1.33x</b>	<b>0%</b>
<b>Interest coverage ratio<sup>1</sup></b>	<b>8.16x</b>	<b>7.92x</b>	<b>3%</b>

<sup>1</sup>) Pro Forma

### Debt by Rate



### Debt by Currency



### Debt Maturity Profile (MXN million)



Gross debt at the end of 1Q22 amounted to \$3,912 million, down 6% from the close of 2022, primarily because of repayment of a revolving line of credit from Ve por Más.

At the end of the quarter, the leverage ratio stood at 1.23x and the interest coverage ratio was 8.16x.

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At the close of 1Q22, 98% of the debt was denominated in Mexican pesos and 98% of it was at a floating rate.

## Shareholders' Equity

Shareholders' equity was \$11.70 billion as of March 31, 2022.

## Results by Business Unit

### Metal Products Business Unit

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Net sales	2,955	2,222	33%
Operating income (loss)	141	75	88%
% of net sales	5%	3%	1.4 pp
EBITDA	210	150	40%
% of net sales	7%	7%	0.4 pp
EBITDA en USD / TON	801		
Δ% in sales volume	9%		
Δ% in average price	22%		

Sales in the Metal Products unit totaled \$2.95 billion in 1Q22, 33% higher than in 1Q21, while EBITDA rose 40%, the result of an efficient pricing strategy and positive trends in demand. Operating income for this business unit totaled \$141 million, 88% higher than in 1Q21, due to the productivity strategy and focus on more profitable products.

### Building Systems Business Unit – United States

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Net sales	1,603	1,094	47%
Operating income (loss)	190	30	533%
% of net sales	12%	3%	9.1 pp
EBITDA	238	83	187%
% of net sales	15%	8%	7.3 pp
Δ% in sales volume	13%		
Δ% in average Price	30%		

Net sales at Building Systems US were up 47% from 1Q21 to 1Q22, primarily because of a focus on more profitable products, a growth in market share, and higher prices. Operating income jumped by 533% and EBITDA 187%.

The EBITDA margin improved by 730 basis points, climbing to 15% by the close of 1Q22.

## Building Systems Business Unit – LatAm

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Net sales	1,216	1,191	2%
Operating income (loss)	122	97	26%
% of net sales	10%	8%	1.9 pp
EBITDA	196	170	15%
% of net sales	16%	14%	1.8 pp
Δ% in sales volume	1%		
Δ% in average Price	1%		

1Q22 net sales and EBITDA increased 2% and 15% year-over-year, respectively, basically the result of marginal improvements in both prices and volume.

First-quarter operating income increased 26%, while the EBITDA margin expanded 180 basis points, as a result of our focus on profitability and cost and expense reduction initiatives.

### Relevant Events

- On March 30 of this year, the Board of Directors announced its opinion on the price per share in the PTO and the decision that board members and the CEO would take regarding the shares they own.
- On March 22 the company announced the start of a public tender offer for up to 103,038,130 single-series shares, ordinary, nominative and with no expression of face value, for all of the outstanding shares that are not directly owned or indirectly by the ELEMAT control group, equivalent to 17.60% of its capital stock.

## **About Elementia 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.

Elementia Materiales offers innovative construction solutions that redefine the concept of construction evolution. Our state-of-the-art rotomolding technology, Eureka®, helps safeguard the world's most important resource: water, which runs through our Nacobre® pipe systems. With more than 65 years' experience, our Nacobre® brand ensure that gas installations comply with the highest safety standards. Elementia Materiales has grown organically and through strategic mergers and acquisitions, creating an integrated platform of more than 4,000 products both in Mexico and the U.S. Elementia Materiales has more than 5,000 employees and operates in nine countries through a wide-ranging distribution network. Innovative and versatile panels manufactured by Allura®, Plycem®, Eternit®, Duralit® and Fibrforte®, offer the advantages of fiber cement technology for decorative façades, simulated wood decking, traditional roof tiles and state-of-the-art ceilings. Elementia Materiales is the largest fiber cement producer in Latin America and second largest in the U.S.

## **Analyst Coverage**

- Apalache Análisis
- CI-Banco
- Vector

## **Forward-looking statements**

This document contains certain forward-looking statements and information related to Elementia Materiales, S.A.B. de C.V. ("Elementia Materiales") that reflect the vision and / or expectations of Elementia 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 Elementia 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 Elementia 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 Elementia Materiales.

## Appendixes

### Income Statement

MXN million	First Quarter Pro Forma		
	2022	2021	Δ%
Net Sales	5,800	4,535	28%
Cost of goods sold	4,688	3,703	27%
Gross profit	1,112	832	34%
Operating expenses	650	615	6%
Operating income	462	217	113%
EBITDA	659	423	56%
% of net sales	11%	9%	2.04 pp
Interest income	400%	2100%	(0.81 pp)
Interest expense	-8000%	-7600%	0.05 pp
Bank commissions	-300%	-800%	(0.63 pp)
Net exchange loss (profit)	-4700%	3800%	(2.24 pp)
Comprehensive financing result, net	(126)	(25)	404%
Income before income taxes	336	192	75%
Income tax	71	44	61%
Net Income (loss)	265	148	79%

### Income Statement

USD millions <sup>1</sup>	First Quarter Pro Forma		
	2022	2021	Δ%
Net Sales	290	227	28%
Cost of goods sold	234	185	27%
Gross profit	56	42	34%
Operating expenses	33	31	6%
Operating income	23	11	113%
EBITDA	33	21	56%
% of net sales	11%	9%	2.04 pp
Non- current assets	20%	105%	(0.81 pp)
Total assets	-400%	-380%	0.05 pp
Short term debt	-15%	-40%	(0.63 pp)
Payables	-235%	190%	(2.24 pp)
Comprehensive financing result, net	(6)	(1)	404%
Income before income taxes	17	10	75%
Income tax	4	2	61%
Income (loss) from continued operations	13	7	79%
Net Income (loss)	13	7	79%

<sup>1</sup>For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$19.9942 and \$20.5835 per U.S. dollar (exchange rate to settle foreign currency obligations on December 31<sup>st</sup>, 2021 and 2020, respectively, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).

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Elementia Materiales Earnings Release 1Q22

## Balance Sheet

MXN million	March 2022	Dec 2021	Δ%	March 2022 (USD millions) <sup>1</sup>
Cash and cash equivalents	1,146	1,502	(24%)	57
Receivables, net	3,448	2,947	17%	172
Inventories, net	4,038	4,139	(2%)	202
Other receivables and currents assets	1,083	1,030	5%	54
<b>Current assets</b>	<b>9,715</b>	<b>9,618</b>	<b>1%</b>	<b>485</b>
Other receivables, net			0%	-
Investment in associated companies and others	3	3	0%	-
Property, plant and equipment, net	9,388	9,247	2%	470
Right of use asset	117	123	(5%)	6
Intangible assets, net	586	601	(2%)	29
Deferred assets Tax	402	384	5%	20
Other assets	86	81	6%	4
<b>Non- current assets</b>	<b>10,582</b>	<b>10,439</b>	<b>1%</b>	<b>529</b>
<b>Total assets</b>	<b>20,297</b>	<b>20,057</b>	<b>1%</b>	<b>1,014</b>
Short term debt	1,686	1,946	(13%)	84
Payables	2,359	2,243	5%	118
Other current liabilities	1,482	1,351	10%	74
<b>Current liabilities</b>	<b>5,527</b>	<b>5,540</b>	<b>(0%)</b>	<b>276</b>
Long term debt	2,226	2,237	(0%)	111
Deferred taxes	754	709	6%	38
Other long term liabilities	93	98	(5%)	5
<b>Long term liabilities</b>	<b>3,073</b>	<b>3,044</b>	<b>1%</b>	<b>154</b>
<b>Total liabilities</b>	<b>8,600</b>	<b>8,584</b>	<b>0%</b>	<b>430</b>
<b>Shareholders' Equity</b>	<b>11,697</b>	<b>11,473</b>	<b>2%</b>	<b>584</b>
<b>Equity attributable to owners of the Entity</b>	<b>11,653</b>	<b>11,431</b>	<b>2%</b>	<b>582</b>
Capital stock	4,282	4,282	0%	214
Additional paid-in capital	4,414	4,414	0%	221
Retained earnings	2,505	2,240	12%	125
Other comprehensive income	452	495	9%	22
<b>Non- controlling interest</b>	<b>44</b>	<b>42</b>	<b>5%</b>	<b>2</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,297</b>	<b>20,057</b>	<b>1%</b>	<b>1,014</b>

<sup>1</sup>For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$19.9942 per U.S. dollar (exchange rate to settle foreign currency obligations on March 31<sup>st</sup>, 2022, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).

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Elementia Materiales Earnings Release 1Q22

## Statement of Cash Flow

	January - March			
	XBRL	Pro Forma		
MXN million	2022	2021	Δ%	2022 (USD millions) <sup>1</sup>
<b>Net income (loss)</b>	<b>265</b>	<b>148</b>	<b>79%</b>	<b>13</b>
Other items unrealized			0%	
Depreciation, amortization and impairment	196	206	(5%)	10
Gain on disposal of fixed assets	(1)	(2)	(50%)	
Interest income	(4)	(21)	(81%)	
Interest expense	80	76	5%	4
Exchange loss (gain)	(5)	66	(108%)	
Other items	70	46	52%	4
<b>Non cash figures</b>	<b>601</b>	<b>519</b>	<b>16%</b>	<b>31</b>
<b>Net cash flow (used) provided by working capital</b>	<b>(236)</b>	<b>(258)</b>	<b>9%</b>	<b>(11)</b>
Increase in accounts receivable	(501)	(314)	(60%)	(25)
(Increase) decrease in inventories	101	(170)	159%	5
Increase in other receivables and other current assets	(26)	164	(116%)	(1)
Increase in trade accounts payable	116	116	0%	6
(Decrease) increase in other liabilities	74	(54)	237%	4
<b>Net cash flow provided by operating activities</b>	<b>365</b>	<b>261</b>	<b>40%</b>	<b>20</b>
Other payments for joint ventures			0%	
Acquisition of property, machinery and equipment	(356)	(45)	691%	(18)
Other assets	7	(23)	130%	
<b>Net cash flow used in investing activities</b>	<b>(349)</b>	<b>(68)</b>	<b>413%</b>	<b>(18)</b>
Incurred (paid) debt	(266)	393	(168%)	(13)
Increase stock buyback			0%	
Bank loans and others, net	(91)	(164)	(45%)	(5)
<b>Net cash used in financing activities</b>	<b>(357)</b>	<b>229</b>	<b>(256%)</b>	<b>(18)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(341)</b>	<b>422</b>	<b>(181%)</b>	<b>(16)</b>
Effects differences on translating foreign operations	(15)	(1,121)	(99%)	(2)
Cash and cash equivalents at the beginning of the period	1,502	2,005	(25%)	75
Cash and cash equivalents at the end of the period	1,146	1,306	(12%)	57

<sup>1</sup>For illustrative purposes, figures in Mexican pesos were converted to U.S. dollars using an exchange rate of \$19.9942 per U.S. dollar (exchange rate to settle foreign currency obligations on December 31<sup>st</sup>, 2021, as defined by Mexico's Central Bank and published in the Official Gazette of the Federation).

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