

**CONDENSED CONSOLIDATED INCOME STATEMENT**

J\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
Revenue	5,772,475	4,384,081	15,103,665	13,513,352	17,764,664
Cost of sales	(2,927,430)	(2,697,041)	(8,137,389)	(7,689,606)	(10,596,112)
<b>Gross profit</b>	<b>2,845,045</b>	<b>1,687,040</b>	<b>6,966,276</b>	<b>5,823,746</b>	<b>7,168,552</b>
Operating expenses	(535,716)	(675,081)	(1,790,692)	(1,831,026)	(2,494,189)
<b>Operating earnings before other expenses, net</b>	<b>2,309,329</b>	<b>1,011,959</b>	<b>5,175,584</b>	<b>3,992,720</b>	<b>4,674,363</b>
Other expenses, net	(108,926)	(184,988)	(248,317)	(267,893)	(426,566)
<b>Operating earnings</b>	<b>2,200,403</b>	<b>826,971</b>	<b>4,927,267</b>	<b>3,724,827</b>	<b>4,247,797</b>
Financial income	3,423	991	7,927	6,129	11,719
Financial expenses	(172,846)	(209,322)	(503,330)	(676,577)	(881,740)
Loss on foreign exchange	(265,547)	(380,212)	(923,446)	(769,799)	(640,362)
<b>Earnings before taxation</b>	<b>1,765,433</b>	<b>238,428</b>	<b>3,508,418</b>	<b>2,284,580</b>	<b>2,737,414</b>
Taxation charge	(535,971)	(161,580)	(1,274,643)	(711,513)	(853,736)
<b>CONSOLIDATED NET INCOME</b>	<b>1,229,462</b>	<b>76,848</b>	<b>2,233,775</b>	<b>1,573,067</b>	<b>1,883,678</b>
<b>Earnings per stock unit (expressed in \$ per stock unit)</b>	<b>1.44</b>	<b>0.09</b>	<b>2.62</b>	<b>1.85</b>	<b>2.21</b>

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**

J\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
<b>CONSOLIDATED NET INCOME</b>	<b>1,229,462</b>	<b>76,848</b>	<b>2,233,775</b>	<b>1,573,067</b>	<b>1,883,678</b>
<b>Items that will not be reclassified subsequently to the income statement:</b>					
Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	29,840
Deferred tax recognised directly in other comprehensive income	-	-	-	-	(7,460)
	-	-	-	-	<b>22,380</b>
<b>Items that are or may be reclassified subsequently to the income statement:</b>					
Effects from derivative financial instruments designated as cash flow hedge	33,557	-	20,544	-	(13,715)
	<b>33,557</b>	-	<b>20,544</b>	-	<b>(13,715)</b>
<b>Total items of other comprehensive income, net</b>	<b>33,557</b>	-	<b>20,544</b>	-	<b>8,665</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,263,019</b>	<b>76,848</b>	<b>2,254,319</b>	<b>1,573,067</b>	<b>1,892,343</b>

**DIRECTORS' STATEMENT**

The third quarter of 2020 has shown the resilience of our company and how, through the expertise and commitment of our team, we have been able to withstand the unprecedented challenges presented by the COVID-19 pandemic.

In response to the threat of COVID-19 in the Caribbean, we mounted a comprehensive response which has included enhanced safety protocols, customer engagement as well as targeted community support. All of this was done to ensure the continuity of our business, the health and safety of our stakeholders, and the future of our company.

Our commitment to safe practices precedes COVID-19 and we are happy to report that we have attained 1,100 days without lost time injuries at the plant and 1,924 days at our quarries as of September 30, 2020. Within this period, we also marked the significant improvement in the safety record of contracted workers, having achieved a milestone of 365 days without LTIs on July 22.

Following audits completed this quarter, our ability to meet international standards in Quality Management, Environmental Management, and Occupational Health and Safety has again been affirmed by successful retention of ISO 9001-2015, ISO 14001-2015 and ISO 45001-2018 certifications.

The communities in which we serve are important stakeholders in the company and we have looked for new ways to provide support during the pandemic. Among our initiatives has been the facilitation of economic opportunities to women who have been equipped to make masks by way of donations of sewing machines and fabric.

**Financial Performance**

In terms of the company's financial performance for the third quarter, Caribbean Cement Company Limited earned revenue of \$5.8 billion, representing a 32% growth when compared with the corresponding period in 2019.

The "operating earnings before other income and expenses" for the period was \$2.3 billion. "Operating earnings" after other expenses was \$2.2 billion, representing an increase of \$1.4 billion when compared to the third quarter of the prior year. This solid operating result is attributable to higher volumes sold, prudent cost containment measures and operational efficiencies that have allowed us to keep operational costs and expense in check despite the increased rate of production.

The company recorded "earnings before taxation" of \$1.8 billion, representing an improvement over the \$0.2 billion achieved in third quarter last year. The Company continues with an aggressive USD debt repayment policy which has allowed it to reduce the financial expenses by \$36 million and the Company's foreign exchange risk compared with Q3 2019.

The overall "consolidated net income" of \$1.2 billion was higher than that of Q3 2019 by \$1.2 billion.

In relation to cash flow, "net cash provided by operating activities" was \$2.6 billion for the quarter and \$5.2 billion for the year. The cash flow generation during the quarter and the available cash at the beginning of the period have allowed the company to reduce debt by \$2.6 billion during the quarter and by \$4.7 billion for the year to date.

We continue to be proud of our employees' adaptability and thank each of them for their commitment to safety and their commendable performance over the Quarter. The Board recognises the challenges faced by our customers, community members and suppliers and are deeply appreciative of their continued partnership and support. As a driver of economic development in Jamaica, we are poised to help 'build back stronger and better' as we play our part in the national COVID-19 recovery efforts.

*Parris A. Lyew-Ayee*

Parris A. Lyew-Ayee  
Chairman  
October 19, 2020

*Yago Castro*

Yago Castro  
Director  
October 19, 2020

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

J\$'000	UNAUDITED			AUDITED
	30.09.20	30.09.19	31.12.19	
<b>ASSETS</b>				
<b>Current assets</b>				
Cash at bank and on hand	374,022	366,590	544,570	
Trade accounts receivable, net	407,995	721,131	509,424	
Other accounts receivable	83,556	96,654	78,698	
Inventories, net	2,347,912	2,409,088	2,208,560	
Accounts receivable from related parties	83,932	83,072	73,648	
Other current assets	77,741	206,365	56,103	
<b>Total current assets</b>	<b>3,375,158</b>	<b>3,882,900</b>	<b>3,471,003</b>	
<b>NON-CURRENT ASSETS</b>				
Property, machinery and equipment, net	22,997,438	23,492,380	23,629,545	
Deferred tax assets	358,418	729,301	-	
Accounts receivable from related parties	7,541	-	-	
<b>Total non-current assets</b>	<b>23,363,397</b>	<b>24,221,681</b>	<b>23,629,545</b>	
<b>TOTAL ASSETS</b>	<b>26,738,555</b>	<b>28,104,581</b>	<b>27,100,548</b>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Other financial obligations	661,855	859,128	673,027	
Trade payables	2,857,116	2,591,635	2,469,260	
Accounts payable to related parties	561,314	822,338	527,383	
Other current liabilities	1,721,116	1,046,708	1,284,881	
<b>Total current liabilities</b>	<b>5,801,401</b>	<b>5,319,809</b>	<b>4,954,551</b>	
<b>NON-CURRENT LIABILITIES</b>				
Long-term debt	4,426,068	8,651,879	9,155,656	
Other financial obligations	2,740,331	3,321,528	2,496,746	
Employee benefits obligation	868,062	861,634	839,047	
Deferred tax liabilities	2,275,267	1,859,875	1,285,723	
Long-term accounts payable to related parties	-	59,490	4,207	
Other non-current liabilities	49,570	39,118	54,094	
<b>Total non-current liabilities</b>	<b>10,359,298</b>	<b>14,793,524</b>	<b>13,835,473</b>	
<b>TOTAL LIABILITIES</b>	<b>16,160,699</b>	<b>20,113,333</b>	<b>18,790,024</b>	
<b>STOCKHOLDERS' EQUITY</b>				
Share capital:				
Ordinary stock units	1,808,837	1,808,837	1,808,837	
Capital contribution	3,839,090	3,839,090	3,839,090	
Reserves:				
Realised capital gain	1,413,661	1,413,661	1,413,661	
Other equity reserves	1,288,063	350,864	1,254,506	
Accumulated net income (losses)	2,228,205	578,796	(5,570)	
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>10,577,856</b>	<b>7,991,248</b>	<b>8,310,524</b>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>26,738,555</b>	<b>28,104,581</b>	<b>27,100,548</b>	

Approved and authorised for issue by the Board of Directors on October 19, 2020 and signed on its behalf by:

*Parris A. Lyew-Ayee*  
Parris A. Lyew-Ayee  
Chairman

*Yago Castro*  
Yago Castro  
Director

**CONSOLIDATED STATEMENT OF CASH FLOWS**

J\$'000	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
<b>OPERATING ACTIVITIES</b>					
<b>Consolidated net income</b>	<b>1,229,462</b>	<b>76,848</b>	<b>2,233,775</b>	<b>1,573,067</b>	<b>1,883,678</b>
Non-cash items:					
Depreciation, impairment and amortisation of assets	386,134	400,550	1,151,089	1,196,556	1,603,850
(Gain) loss on disposal of property, machinery and equipment	-	(189)	-	(1,304)	7,490
Reversal of impaired receivables	-	-	(385)	-	(4,071)
Interest income	(3,423)	(991)	(7,927)	(6,129)	(11,719)
Interest expense	217,822	180,640	503,330	598,465	774,810
Taxation charge	535,971	161,580	1,274,643	711,513	853,736
Fixed asset write-off	-	-	-	-	76,285
Rehabilitation cost	-	-	-	-	4,513
Inventory impairment allowance	-	-	-	-	15,076
Employee benefit expenses	14,299	18,186	42,898	54,557	67,985
Unwinding of discount on preference shares	13,654	22,858	39,756	66,969	89,772
Unwinding of discount on rehabilitation provision	6,767	-	6,767	-	797
Unwinding of discount on lease liabilities	4,107	5,759	13,391	11,143	16,361
Unrealised foreign exchange (gain) losses, net	(67,338)	162,655	299,504	487,953	84,993
Changes in working capital, excluding taxes	378,720	646,097	346,477	(354,630)	116,413
<b>Net cash flows provided by operating activities before financial expenses, employee benefits and taxes</b>	<b>2,716,175</b>	<b>1,673,993</b>	<b>5,903,318</b>	<b>4,338,160</b>	<b>5,579,969</b>
Employee benefits paid	(4,615)	(8,562)	(13,883)	(25,727)	(31,902)
Interest received	3,423	991	7,927	6,129	11,719
Interest paid	(158,079)	(155,781)	(444,447)	(535,723)	(794,251)
Taxation paid	(389)	(19,345)	(226,386)	(21,179)	(33,048)
<b>Net cash flows provided by operating activities</b>	<b>2,556,515</b>	<b>1,491,296</b>	<b>5,226,529</b>	<b>3,761,660</b>	<b>4,732,487</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of property, machinery and equipment	(176,966)	(320,688)	(518,982)	(789,961)	(1,334,340)
Proceeds from disposal of assets	-	189	-	1,304	1,303
Increase in other non-current assets	(7,541)	-	(7,541)	-	-
<b>Net cash flows used in investing activities</b>	<b>(184,507)</b>	<b>(320,499)</b>	<b>(526,523)</b>	<b>(788,657)</b>	<b>(1,333,037)</b>
<b>FINANCING ACTIVITIES</b>					
Repayment of long-term debt, net	(2,539,452)	(1,173,487)	(4,839,766)	(2,953,893)	(2,207,878)
Other financial obligations:					
Repayment of redeemable preference shares	-	-	-	-	(1,043,134)
Payment of lease liabilities	(18,654)	(13,864)	(53,022)	(34,210)	(50,580)
Non-current liabilities	(13,263)	-	(15,498)	-	-
<b>Net cash flows used in financing activities</b>	<b>(2,571,369)</b>	<b>(1,187,351)</b>	<b>(4,908,286)</b>	<b>(2,988,103)</b>	<b>(3,301,592)</b>
(Decrease) increase in cash at bank and on hand	(199,361)	(16,554)	(208,280)	(15,100)	97,858
Cash conversion effect, net	46,566	(11,292)	37,732	(39,100)	25,922
Cash at bank and on hand at beginning of period	526,817	394,436	544,570	420,790	420,790
<b>CASH AT BANK AND ON HAND AT END OF PERIOD</b>	<b>374,022</b>	<b>366,590</b>	<b>374,022</b>	<b>366,590</b>	<b>544,570</b>
<b>Changes in working capital, excluding taxes:</b>					
Trade accounts receivable, net	62,787	(105,928)	101,481	(363,934)	(158,413)
Other current assets	(25,452)	(146,980)	(36,780)	(56,544)	122,684
Inventories, net	(354,881)	(380,923)	(139,352)	(675,823)	(490,371)
Trade payables	373,608	880,370	358,858	392,802	506,596
Other current liabilities	322,658	399,578	62,270	348,869	135,917
<b>Changes in working capital, excluding taxes</b>	<b>378,720</b>	<b>646,097</b>	<b>346,477</b>	<b>(354,630)</b>	<b>116,413</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

JS'000	UNAUDITED		AUDITED
	Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2019
Balance as at beginning of period	8,310,524	6,418,181	6,418,181
Net income for the period	2,233,775	1,573,067	1,883,678
Hedge reserve	33,557	-	(13,715)
Remeasurement of employee benefits obligation, net of tax	-	-	22,380
<b>Total comprehensive income for the period</b>	<b>2,267,332</b>	<b>1,573,067</b>	<b>1,892,343</b>
Balance as at end of period	10,577,856	7,991,248	8,310,524

**NOTES:**

**1. Basis of Preparation**

The condensed consolidated interim financial statements are prepared in accordance with Practice Statement 2016 – 1, Summary Financial Statements issued by the Institute of Chartered Accountants of Jamaica (ICAJ). Management discloses the condensed consolidated statement of financial position, condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in stockholders' equity and condensed consolidated statement of cash flows. These condensed consolidated interim financial statements are derived from the unaudited consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the period ended September 30, 2020, which are prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and the requirements of the Jamaican Companies Act.

**2. Accounting Policies**

These condensed consolidated financial statements as of and for the period ended September 30, 2020, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2019. Any new accounting standards amendments or interpretations which became effective in this financial year, were adjusted on the Group's financial position or results.

**3. Earnings Per Share Unit**

Earnings per stock unit is calculated by dividing the net income by the number of ordinary stock units outstanding during the period.

**4. Comparative Information**

The condensed consolidated financial statements have been rearranged and presented to conform with the presentation of the financial statements of the ultimate parent company, CEMEX S.A.B. de C.V. Where necessary, the comparative figures are reclassified to conform with the current year's presentation.

**5. Operating Earnings Before Other Expenses, Net [expressed in J \$'000]**

The details of the line item "Operating earnings before other expenses, net" are as follows:

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
<b>Revenue</b>	<b>5,772,475</b>	<b>4,384,081</b>	<b>15,103,665</b>	<b>13,513,352</b>	<b>17,764,664</b>
<b>Expenses by nature:</b>					
Raw material and consumables	294,611	400,227	906,017	971,586	1,229,620
Fuel and electricity	983,059	816,997	2,709,583	2,640,176	3,396,908
Personnel remuneration and benefits	529,032	567,030	1,627,973	1,766,430	2,133,613
Repairs and maintenance	368,350	236,044	910,880	618,575	867,341
Equipment hire	367,056	325,304	836,083	602,159	894,159
Cement transportation, marketing and selling expenses	228,564	172,202	626,807	533,895	707,642
Other operating expenses	232,941	298,505	658,114	724,591	1,202,431
Depreciation, impairment and amortisation	386,134	400,550	1,151,089	1,196,556	1,603,850
Changes in inventories of finished goods and work in progress	73,400	155,263	501,536	466,664	1,054,737
<b>Total expenses</b>	<b>3,463,146</b>	<b>3,372,122</b>	<b>9,928,081</b>	<b>9,520,632</b>	<b>13,090,301</b>
<b>Operating earnings before other expenses, net</b>	<b>2,309,329</b>	<b>1,011,959</b>	<b>5,175,584</b>	<b>3,992,720</b>	<b>4,674,363</b>

**6. Other Expenses, Net [expressed in J \$'000]**

The details of the line item "Other expenses, net" are as follows:

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2020	2019	2020	2019	2019
Manpower restructuring costs	(34,458)	(43,741)	(53,344)	(43,741)	(87,166)
Demolition expenses	(8,038)	(99,106)	(16,204)	(99,106)	(99,215)
Environmental costs	(13,711)	(12,854)	(41,245)	(38,723)	(49,615)
Management fees	(40,213)	(29,854)	(115,316)	(87,749)	(117,948)
Fixed asset write-off	-	-	-	-	(90,769)
COVID-19 contingency expenses	(5,279)	-	(19,524)	-	-
Other, net	(7,227)	567	(2,684)	1,426	18,147
	<b>(108,926)</b>	<b>(184,988)</b>	<b>(248,317)</b>	<b>(267,893)</b>	<b>(426,566)</b>