

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT





FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

CONDENSED CONSOLIDATED INCOME STATEMENT								
J\$'000		UNAUDITED				AUDITED		
		Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec		
	Notes	2021	2020	2021	2020	2020		
Revenue Cost of sales		5,494,611 (4,406,172)	5,772,475 (2,927,430)	17,802,473 (10,834,211)		20,108,049 (10,971,463)		
Gross profit Operating expenses		1,088,439 (592,189)	2,845,045 (535,716)	6,968,262 (1,851,631)	6,966,276 (1,790,692)	9,136,586 (2,354,597)		
Operating earnings before other expenses, net Other expenses, net	t 5	496,250 (85,477)	2,309,329 (108,926)	5,116,631 (277,740)	5,175,584 (248,317)	6,781,989 (495,422)		
Operating earnings		410,773	2,200,403	4,838,891	4,927,267	6,286,567		
Financial income Financial expenses Gain (loss) on foreign exchange		1,135 (111,813) 34,820	3,423 (172,846) (265,547)	8,209 (411,905) (223,663)	7,927 (503,330) (923,446)	10,363 (811,755 (1,060,275		
Earnings before taxation Taxation charge		334,915 (291,206)	1,765,433 (535,971)	4,211,532 (1,077,057)	3,508,418 (1,274,643)	4,424,900 (1,228,207)		
CONSOLIDATED NET INCOME		43,709	1,229,462	3,134,475	2,233,775	3,196,693		
Earnings per stock unit (expressed in \$ per stock unit)	3	0.05	1.44	3.68	2.62	3.76		

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		
	2021	2020	2021	2020	2020		
CCONSOLIDATED NET INCOME	43,709	1,229,462	3,134,475	2,233,775	3,196,693		
Items that will not be reclassified subsequently to the income statement:	·						
Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	3,142		
Deferred tax recognised directly in other comprehensive income	_	_		-	(786)		
	-	-	-	-	2,356		
Items that are or may be reclassified subsequently to the income statement:							
Effects from derivative financial instruments designated							
as cash flow hedge	59,982	20,544	101,328	33,557	22,349		
	59,982	20,544	101,328	33,557	22,349		
Total items of other comprehensive income, net	<u>59,982</u>	20,544	101,328	33,557	24,705		
TOTAL COMPREHENSIVE INCOME	103,691	1,250,006	3,235,803	2,267,332	3,221,398		

DIRECTORS' STATEMENT

Caribbean Cement Company Limited continues to demonstrate Financial Performance its resilience and remains resolute in achieving major goals.

Despite the ongoing COVID-19 pandemic, and, especially the quarter, Caribbean Cement Company Limited earned revenue third wave affecting the country, the company is committed to ensuring that critical programmes in key areas such as health for the nine months which represents a 18% growth when & safety, talent development, customer service, and community compared to the corresponding nine-month period in 2020. partnerships remain robust.

Concerning our health and safety programme during this quarter, for the period was \$496 million. "Operating earnings" after we achieved two years without a recordable incident. At CCCL, other expenses was \$411 million, representing a reduction of we are proud of this important milestone and remain focused to \$1.8 billion when compared to the third quarter of the prior continuing with this performance.

Relative to the COVID-19 pandemic, the company continues with a strict adherence and enforcement of our 52 COVID protocols to keep all our employees, contractors, and visitors safe. We also maintain our random testing initiative for our employees and contractors, which is among several of the proactive steps we have implemented during the pandemic.

Regarding vaccination, the availability of various vaccine types and sites has also enabled us to bolster our health and safety programme. As a participant in the Private Sector Vaccine Initiative, over 45 per cent of our staff are vaccinated with ongoing initiatives to further increase that amount

Concerning our social impact programme, which has been designed to improve the lives of many Jamaicans across the island and a top priority for our company, we are pleased to announce that 90 per cent of our annual programme has so far been executed.

With more than \$40 million budgeted yearly, the programme saw the construction of concrete roads and community centres in various communities and the donation of important support packages to residents against the COVID-19 pandemic, among a raft of other initiatives.

We also launched the second iteration of our CEMEX Campus Programme geared at sharing the knowledge of our industry to meet these requirements. to final-year university students from selected countries in the To this end, in the latter part of 2022, we will begin the region and as a way of selecting a talented pool of youngsters to join the company.

Since the programme began in March this year, eight students have been engaged by Carib Cement in the areas of security, million tonnes to close to 1.4 million metric tonnes a year to operations, and human resources.

At the national level, Carib Cement has begun the incineration Environmentally Sound Management of End-of-Life Pneumatic

The programme was made possible through a memorandum of understanding inked with the government in June. A total of approximately 320,000 tyres a year will be destroyed to make

tarvis H. Lyen-Ayee Chairman October 27, 2021

In terms of the company's financial performance for the third

The "operating earnings before other income and expenses" vear This reduction in the revenue was a result of the lower sales due to the heavy rainfall and harsh weather conditions experienced during the quarter, in conjunction with the lower production of cement and clinker due to the planned equipment maintenance exercise carried out in the quarter. During the quarter, the company executed the annual general maintenance of the plant.

As a result of the higher cost recorded in the quarter, the "earnings before taxation" was \$335 million. The company continues with an aggressive USD debt repayment policy, which has allowed it to reduce the financial expenses by \$61 million and the company's foreign exchange risk compared with the corresponding quarter in 2020.

In relation to cash flow, "net cash provided by operating activities" was \$274 million for the quarter and \$4.3 billion for the year. The positive cash flow generated during the year allowed the company to reduce its debt by \$3.9 billion.

Caribbean Cement Company will continue to ensure sound decisions are made as we remain optimistic about the company's future and Jamaica's economic development.

We are expecting that domestic demand for our premium product will remain high and are putting in the necessary steps

\$4.6 billion upgrade of our plant, which will expand cement production by 30 per cent when completed.

This expansion will allow us to move from producing 1.0 properly support the strong local demand, which is expected to be driven by both government-initiated infrastructure projects of tyres under the 10-year National Programme for the and private development initiatives. It will also put us in a better position to export to markets in the region, providing them with our high-quality products.

> We will continue to promote initiatives such as Future in Action, geared at reducing our carbon footprint and will be rolling out programmes coalescing around this in short order

> We will also maintain our responsibility of educating our employees about the importance of vaccines and reinforcing "Behaviours that Save Lives".

Yago Castro Director October 27, 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' FOLLITY

CONDENSED CONSOLIDATED STATEMENT OF CHANGE	.5 IN 5106	<u>VUOLDEU9</u>	EQUITY
J\$'000	UNAUDITED		AUDITED
		Nine Months Jan to Sep 2021 2020 11,531,922 8,310,524 3,134,475 2,233,775	
	2021	2020	2020
Balance as at beginning of period	11,531,922	8,310,524	8,310,524
Profit for the period	3,134,475	2,233,775	3,196,693
Hedge reserve	101,328	33,557	22,349
Remeasurement of employee benefits obligation, net of tax			2,356
Total comprehensive income for the period	3,235,803	2,267,332	3,221,398
Balance as at end of period	14,767,725	10,577,856	11,531,922

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 consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in stockholders' equity and 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 (Group) as of and for the period ended September 30, 2021, 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 interim financial statements as of and for the period ended September 30, 2021, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2020. 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 Stock Unit

Earnings per stock unit is computed by dividing the consolidated net income attributable to ordinary stockholders by the weighted average number of ordinary stock units in issue during the period.

4. Comparative Information Where necessary, the comparative figures are reclassified to conform with the current year's pres	esentation

CONDENSED CONSOLIDATED STATEMENT OF F	INANCIA	- POSITIO	ON
J\$'000	UNAU	DITED	AUDITED
ASSETS	30.09.21	30.09.20	31.12.20
ASSETS Current assets			
Cash at bank and on hand	190,610	374,022	513,136
Trade accounts receivable, net	502,471	407,995	141,401
Other accounts receivable	106,794	83,556	88,782
Inventories, net	3,147,372	2,347,912	2,370,708
Accounts receivable from related parties	129,603	83,932	150,057
Other current assets	94,689	77,741	74,109
Total current assets	4,171,539	3,375,158	3,338,193
NON-CURRENT ASSETS	00 504 000	00 007 400	00 004 005
Property, machinery and equipment, net	22,524,329	22,997,438	22,981,295
Accounts receivable from related parties Total non-current assets	14,499 22,538,828	7,541 23,004,979	1,521 22,982,816
TOTAL ASSETS	26,710,367	26,380,137	26,321,009
LIABILITIES AND STOCKHOLDERS' EQUITY	20,710,307	20,300,137	20,321,003
CURRENT LIABILITIES			
Other financial obligations	1,111,891	661,855	1,108,114
Trade payables	3,941,962	2,857,116	3,058,807
Accounts payable to related parties	539,234	561,314	585,169
Other current liabilities	1,472,176	1,721,116	1,838,493
Total current liabilities	7,065,263	5,801,401	6,590,583
NON-CURRENT LIABILITIES			
Long-term debt	554,488	4,426,068	4,442,650
Other financial obligations	1,363,616	2,740,331	1,122,416
Employee benefits obligation	931,002	868,062	882,360
Deferred tax liabilities	1,989,148	1,916,849	1,700,957
Other non-current liabilities	39,125	49,570	50,121
Total non-current liabilities	4,877,379	10,000,880	8,198,504
TOTAL LIABILITIES	11,942,642	15,802,281	14,789,087
STOCKHOLDERS' EQUITY			
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:	3,033,030	3,033,030	3,033,030
Realised capital gain	1,413,661	1,413,661	1,413,661
Other equity reserves	2,665,984	1,288,063	2,564,656
Accumulated net income	5,040,153	2,228,205	1,905,678
TOTAL STOCKHOLDERS' EQUITY	14,767,725	10,577,856	11,531,922
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	26,710,367	26,380,137	26,321,009

Approved and authorised for issue by the Board of Directors on October 27, 2021 and signed on its behalf by:

tarvis A. Lyen-Ayee Parris A. Lyew-Ayee Yago Castro

Chairman	Director				
CONSOLIDATED STA	ATEMENIT	OE CAC	L EL OWS		
J\$'000			IDITED		AUDITED
3\$ 000	Throo	Months	Nine N	Year	
		o Sep	Jan t	o Sep	Jan to Dec
OPERATING ACTIVITIES	2021	2020	2021	2020	2020
Consolidated net income	43,709	1,229,462	3,134,475	2,233,775	3,196,693
Non-cash items:	10,100	1,220,102	0,101,170		0,100,000
Depreciation and amortisation of assets	379,081	386,134	1,137,571	1.151.089	1,536,260
Net impairment (write-back) of receivables	252	-	166	(385)	(805)
Interest income	(1,135)	(3,423)	(8,209)	(7,927)	(10,363)
Interest expense	46,322	217,822	216,659	503,330	500,608
Taxation charge	291,206	535,971	1,077,057	1,274,643	1,228,207
Property, machinery and equipment write-back	(10.070)	-	(40.070)	-	(1,334)
Reduction in rehabilitation provision	(13,879)	-	(13,879)	-	(5,572)
Inventory write-off Inventory impairment allowance, net	_	_	23		64,855 4,000
Stockholding and inventory restructuring provision (reversal)		_	1,511		(39,885)
Employee benefit expenses	3,800	14,299	11,399	42,898	75,499
Unwinding of discount on preference shares	58,583	13,654	174,777	39,756	221,169
Unwinding of discount on rehabilitation provision	1,233	6,767	3,611	6,767	8,091
Unwinding of discount on lease liabilities	5,673	4,107	16,857	13,391	20,063
Unrealised foreign exchange (gain) losses, net	(113,393)	(67,338)	(4,336)	299,504	252,268
Changes in working capital, excluding taxes	(166,739)	378,720	(95,332)	346,477	741,235
Net cash flows provided by operating activities					
before financial income and expenses, employee	E04 740	0.710.175	E 050 050	E 000 010	7 700 000
benefits and taxes Employee benefits paid	534,713 (7,676)	2,716,175 (4,615)	5,652,350 (22,368)	5,903,318 (13,883)	7,790,989 (29,044)
Interest received	1,135	3,423	8,209	7,927	10,363
Interest paid	(49.892)	(158,079)	(147,084)	(444,447)	(501,483)
Taxation paid	(204,065)	(389)	(1,219,447)	(226,386)	(272,727)
Net cash flows provided by operating activities	274,215	2,556,515	4,271,660	5,226,529	6,998,098
INVESTING ACTIVITIES			1,271,000	0,220,020	
Property, machinery and equipment, net	(465,775)	(176,966)	(665,094)	(518,982)	(778,029)
Increase in other non-current assets	-	(7,541)	-	(7,541)	-
Net cash flows used in investing activities	(465,775)	(184,507)	(665,094)	(526,523)	(778,029)
FINANCING ACTIVITIES					
Repayment of long-term debt, net	64,301	(2,539,452)	(3,878,349)	(4,839,766)	(4,733,485)
Other financial obligations:					=
Repayment of redeemable preference shares	(01.004)	(40.054)	(00.450)	(50,000)	(1,451,891)
Repayment of lease liabilities Non-current liabilities	(21,964)	(18,654)	(60,453)	(53,022) (15,498)	(73,210)
Net cash flows provided by (used in) financing activities	42,337	(13,263) (2,571,369)	(3,938,802)	(4,908,286)	(6,258,586)
Decrease in cash at bank and on hand	(149,223)	(199,361)	(332,236)	(208,280)	(38,517)
Cash conversion effect, net	31,177	46,566	9,710	37,732	7,083
Cash at bank and on hand at beginning of period	308,656	526,817	513,136	544,570	544,570
CASH AT BANK AND ON HAND AT END OF PERIOD	190,610	374,022	190,610	374,022	513,136
Changes in working capital, excluding taxes:					, ,
Trade accounts receivable, net	(182,981)	62,787	(358,532)	101,481	370,051
Other current assets	(28,296)	(25,452)	` 71,884	(36,780)	(97,074)
Inventories	(321,108)	(354,881)	(743,727)	(139,352)	(211,099)
Trade payables	175,449	373,608	938,124	358,858	585,403
Other current liabilities	190,197	322,658	(3,081)	62,270	93,954
Changes in working capital, excluding taxes	(166,739)	378,720	(95,332)	346,477	<u>741,235</u>

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				
		Three Months Jul to Sep Jan to Sep				Year Jan to Dec
	2021	2020	2021	2020	2020	
Revenue	5,494,611	5,772,475	17,802,473	15,103,665	20,108,049	
Expenses:	, ,		, ,	, .		
Raw material and consumables	636,649	294,611	1,316,678	906,017	1,247,650	
Fuel and electricity	858,149	983,059	2,910,352	2,709,583	3,638,472	
Personnel remuneration and benefits	650,926	529,032	1,882,466	1,627,973	2,215,515	
Repairs and maintenance	696,372	368,350	1,295,725	910,880	1,414,441	
Equipment hire	303,055	367,056	904,555	836,083	1,060,888	
Cement transportation, marketing and selling						
expenses	213,588	228,564	667,091	626,807	804,145	
Other operating expenses	218,306	232,941	703,509	658,114	851,070	
Depreciation and amortisation	379,083	386,134	1,137,573	1,151,089	1,536,260	
Changes in inventories of finished goods						
and work in progress	1,042,233	73,400	1,867,893	501,536	557,619	
Total expenses	4,998,361	3,463,146	12,685,842	9,928,081	13,326,060	
Operating earnings before other expenses, net	496,250	2,309,329	5,116,631	5,175,584	6,781,989	

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
	2021	2020	2021	2020	2020			
Manpower restructuring costs Reversal of stockholding and inventory	-	(34,458)	(61,925)	(53,344)	(57,289)			
restructuring provision	-	-	(1,511)	-	39,885			
Demolition expenses	(24,542)	(8,038)	(26,150)	(16,204)	(22,626)			
Inventory write-off	-		(23)	-	(64,855)			
Environmental costs		(13,711)	(13,461)	(41,245)	(73,541)			
Management fees	(49,757)	(40,213)	(145,524)	(115,316)	(155,232)			
Property, machinery and equipment write-back	-	-	-	-	1,334			
COVID-19 related expenses	(1,224)	(5,279)	(1,224)	(19,524)	(65,089)			
Other, net	(9,954)	(7,227)	(27,922)	(2,684)	(98,009)			
	(85.477)	(108.926)	(277,740)	(248.317)	(495,422)			