

# CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

CONDENSED CONSOLIDATED INCOME STATEMENT						
J\$'000	Notes	UNAUDITED				AUDITED
		Three Months Jul to Sep		Nine Months 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
Cost of sales		(4,406,172)	(2,927,430)	(10,834,211)	(8,137,389)	(10,971,463)
<b>Gross profit</b>		<b>1,088,439</b>	<b>2,845,045</b>	<b>6,968,262</b>	<b>6,966,276</b>	<b>9,136,586</b>
Operating expenses		(592,189)	(535,716)	(1,851,631)	(1,790,692)	(2,354,597)
<b>Operating earnings before other expenses, net</b>	5	<b>496,250</b>	<b>2,309,329</b>	<b>5,116,631</b>	<b>5,175,584</b>	<b>6,781,989</b>
Other expenses, net	6	(85,477)	(108,926)	(277,740)	(248,317)	(495,422)
<b>Operating earnings</b>		<b>410,773</b>	<b>2,200,403</b>	<b>4,838,891</b>	<b>4,927,267</b>	<b>6,286,567</b>
Financial income		1,135	3,423	8,209	7,927	10,363
Financial expenses		(111,813)	(172,846)	(411,905)	(503,330)	(811,755)
Gain (loss) on foreign exchange		34,820	(265,547)	(223,663)	(923,446)	(1,060,275)
<b>Earnings before taxation</b>		<b>334,915</b>	<b>1,765,433</b>	<b>4,211,532</b>	<b>3,508,418</b>	<b>4,424,900</b>
Taxation charge		(291,206)	(535,971)	(1,077,057)	(1,274,643)	(1,228,207)
<b>CONSOLIDATED NET INCOME</b>		<b>43,709</b>	<b>1,229,462</b>	<b>3,134,475</b>	<b>2,233,775</b>	<b>3,196,693</b>
<b>Earnings per stock unit (expressed in \$ per stock unit)</b>	3	<b>0.05</b>	<b>1.44</b>	<b>3.68</b>	<b>2.62</b>	<b>3.76</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
		2021	2020	2021	2020	2020
<b>CONSOLIDATED NET INCOME</b>		<b>43,709</b>	<b>1,229,462</b>	<b>3,134,475</b>	<b>2,233,775</b>	<b>3,196,693</b>
<b>Items that will not be reclassified subsequently to the income statement:</b>						
Net actuarial gains from remeasurement of employee benefits obligation		-	-	-	-	3,142
Deferred tax recognised directly in other comprehensive income		-	-	-	-	(786)
		-	-	-	-	<b>2,356</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		59,982	20,544	101,328	33,557	22,349
		<b>59,982</b>	<b>20,544</b>	<b>101,328</b>	<b>33,557</b>	<b>22,349</b>
		<b>59,982</b>	<b>20,544</b>	<b>101,328</b>	<b>33,557</b>	<b>24,705</b>
<b>Total items of other comprehensive income, net</b>		<b>59,982</b>	<b>20,544</b>	<b>101,328</b>	<b>33,557</b>	<b>24,705</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>103,691</b>	<b>1,250,006</b>	<b>3,235,803</b>	<b>2,267,332</b>	<b>3,221,398</b>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY					
J\$'000		UNAUDITED			AUDITED
		Nine Months Jan to Sep		Year Jan to Dec	
		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	
<b>Total comprehensive income for the period</b>		<b>3,235,803</b>	<b>2,267,332</b>	<b>3,221,398</b>	
<b>Balance as at end of period</b>		<b>14,767,725</b>	<b>10,577,856</b>	<b>11,531,922</b>	

**NOTES:**

- 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.
- 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.
- 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.
- Comparative Information**  
Where necessary, the comparative figures are reclassified to conform with the current year's presentation.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
J\$'000	Notes	UNAUDITED				AUDITED
		30.09.21		30.09.20		31.12.20
		2021	2020	2021	2020	2020
<b>ASSETS</b>						
<b>Current assets</b>						
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		
<b>Total current assets</b>		<b>4,171,539</b>	<b>3,375,158</b>	<b>3,338,193</b>		
<b>NON-CURRENT ASSETS</b>						
Property, machinery and equipment, net		22,524,329	22,997,438	22,981,295		
Accounts receivable from related parties		14,499	7,541	1,521		
<b>Total non-current assets</b>		<b>22,538,828</b>	<b>23,004,979</b>	<b>22,982,816</b>		
<b>TOTAL ASSETS</b>		<b>26,710,367</b>	<b>26,380,137</b>	<b>26,321,009</b>		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
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		
<b>Total current liabilities</b>		<b>7,065,263</b>	<b>5,801,401</b>	<b>6,590,583</b>		
<b>NON-CURRENT LIABILITIES</b>						
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		
<b>Total non-current liabilities</b>		<b>4,877,379</b>	<b>10,000,880</b>	<b>8,198,504</b>		
<b>TOTAL LIABILITIES</b>		<b>11,942,642</b>	<b>15,802,281</b>	<b>14,789,087</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		2,665,984	1,288,063	2,564,656		
Accumulated net income		5,040,153	2,228,205	1,905,678		
<b>TOTAL STOCKHOLDERS' EQUITY</b>		<b>14,767,725</b>	<b>10,577,856</b>	<b>11,531,922</b>		
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<b>26,710,367</b>	<b>26,380,137</b>	<b>26,321,009</b>		

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

Parris A. Lyew-Ayee  
Chairman

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
		2021	2020	2021	2020	2020
<b>OPERATING ACTIVITIES</b>						
<b>Consolidated net income</b>		<b>43,709</b>	<b>1,229,462</b>	<b>3,134,475</b>	<b>2,233,775</b>	<b>3,196,693</b>
<b>Non-cash items:</b>						
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		-	-	-	-	(1,334)
Reduction in rehabilitation provision		(13,879)	-	(13,879)	-	(5,572)
Inventory write-off		-	-	23	-	64,855
Inventory impairment allowance, net		-	-	-	-	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
<b>Net cash flows provided by operating activities before financial income and expenses, employee benefits and taxes</b>		<b>534,713</b>	<b>2,716,175</b>	<b>5,652,350</b>	<b>5,903,318</b>	<b>7,790,989</b>
Employee benefits paid		(7,676)	(4,615)	(22,368)	(13,883)	(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)	(219,447)	(226,386)	(272,727)
<b>Net cash flows provided by operating activities</b>		<b>274,215</b>	<b>2,556,515</b>	<b>4,271,660</b>	<b>5,226,529</b>	<b>6,998,098</b>
<b>INVESTING ACTIVITIES</b>						
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)	-
<b>Net cash flows used in investing activities</b>		<b>(465,775)</b>	<b>(184,507)</b>	<b>(665,094)</b>	<b>(526,523)</b>	<b>(778,029)</b>
<b>FINANCING ACTIVITIES</b>						
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		-	-	-	-	(1,451,891)
Repayment of lease liabilities		(21,964)	(18,654)	(60,453)	(53,022)	(73,210)
Non-current liabilities		-	(13,263)	-	(15,498)	-
<b>Net cash flows provided by (used in) financing activities</b>		<b>42,337</b>	<b>(2,571,369)</b>	<b>(3,938,802)</b>	<b>(4,908,286)</b>	<b>(6,258,586)</b>
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
<b>CASH AT BANK AND ON HAND AT END OF PERIOD</b>		<b>190,610</b>	<b>374,022</b>	<b>190,610</b>	<b>374,022</b>	<b>513,136</b>
<b>Changes in working capital, excluding taxes:</b>						
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
<b>Changes in working capital, excluding taxes</b>		<b>(166,739)</b>	<b>378,720</b>	<b>(95,332)</b>	<b>346,477</b>	<b>741,235</b>

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
	2021	2020	2021	2020	2020
Revenue	5,494,611	5,772,475	17,802,473	15,103,665	20,108,049
<b>Expenses:</b>					
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			