

# SUMMARY GROUP AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

## SUMMARY GROUP INCOME STATEMENT

J\$'000	Notes	AUDITED	
		2023	2022
Revenue	8	27,719,929	25,837,228
Cost of sales		(16,418,152)	(14,476,081)
<b>Gross profit</b>		<b>11,301,777</b>	<b>11,361,147</b>
Administrative expenses		(1,134,564)	(941,870)
Selling expenses		(222,242)	(188,793)
Distribution and logistics expenses		(1,498,771)	(1,551,818)
Recovery of impairment loss on trade account receivables		32	225
<b>Total operating expenses</b>		<b>(2,855,545)</b>	<b>(2,682,256)</b>
<b>Operating earnings before other expenses, net</b>	<b>8</b>	<b>8,446,232</b>	<b>8,678,891</b>
Other income	9	18,640	102,001
Other expenses	9	(1,040,241)	(916,549)
<b>Operating earnings</b>		<b>7,424,631</b>	<b>7,864,343</b>
Financial income		128,408	28,240
Financial expenses		(193,120)	(581,405)
Loss on foreign exchange		(100,189)	(68,311)
<b>Earnings before taxation</b>		<b>7,259,730</b>	<b>7,242,867</b>
Taxation charge		(1,683,300)	(1,859,000)
<b>CONSOLIDATED NET INCOME</b>		<b>5,576,430</b>	<b>5,383,867</b>
<b>Basic and diluted earnings per share (expressed in \$)</b>	<b>3</b>	<b>6.55</b>	<b>6.33</b>

## SUMMARY GROUP STATEMENT OF COMPREHENSIVE INCOME

J\$'000	AUDITED	
	2023	2022
<b>CONSOLIDATED NET INCOME</b>	<b>5,576,430</b>	<b>5,383,867</b>
<b>Items that will not be reclassified subsequently to the income statement:</b>		
Net actuarial gains from remeasurement of employee benefits obligation	196,961	270,494
Deferred income tax recognised directly in other comprehensive income	(49,240)	(67,624)
	147,721	202,870
<b>Items that are or may be reclassified subsequently to the income statement:</b>		
Effects from derivative financial instruments designated as cash flow hedge	(94,387)	(48,989)
	(94,387)	(48,989)
Total items of other comprehensive income, net	53,334	153,881
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>5,629,764</b>	<b>5,537,748</b>

## DIRECTORS' STATEMENT

### Health and Safety

We are proud to report a strong safety performance in 2023, underscored during the last quarter by zero lost time incidents (LTIs) among our contractors and the achievement of a satisfactory four-year LTI-free record by our employees. These achievements emphasise our unwavering commitment to Cemex's Zero4Life initiative, and the importance placed on the health and safety of our employees and contractors, which are our most important priority as a company.

Our dedication to maintaining a safe work environment is further reflected in ongoing and extensive training initiatives implemented throughout the year. In 2023, over 256 persons benefitted from training courses, which covered a wide range of critical areas, ensuring that health and safety principles remain at the forefront of our organisation's culture.

### Financials

During the fiscal year 2023, the Group attained revenue of \$27.7 billion demonstrating a growth of 7.3% compared to 2022. However, the Group's operating earnings were affected by increased costs associated with scheduled annual maintenance activity in the first quarter of 2023, resulting in a 5.7% decline to \$7.4 billion from the previous year's \$7.9 billion. Nevertheless, following the maintenance period, improved performance was observed in subsequent quarters due to operational efficiencies and operative cost containment.

The Group reported earnings before taxation of \$7.3 billion, unchanged from 2022. Despite the decline in operating earnings, positive earnings before taxation were achieved due to the implementation of a foreign exchange exposure reduction initiative and investment of available liquid cash in interest-bearing instruments.

Consolidated net income amounted to \$5.6 billion, surpassing the 2022 figure by \$0.2 billion. Earnings per share for the year were \$6.55, up by \$0.22 compared to \$6.33 in 2022.

Regarding cash flows, the Group strengthened its net cash position by \$3.4 billion over the year after distributing \$1.6 billion to shareholders as dividends, reflecting a 29% increase from the prior year, and investing \$1.9 billion in capital expenditure.

### Sustainability

CCCL remains steadfast in its commitment to fostering a sustainable and environmentally responsible future. Our "Future in Action" programme is a testament to the dedication of the company and its workforce in contributing to a cleaner and greener world. Aligned with Cemex's mandate, we are actively engaged in initiatives aimed at reducing our carbon footprint and making a positive impact on the environment.

During the last quarter of 2023, we proudly introduced the Ultimate Technology to Industrial Savings system, a groundbreaking advancement that will play a pivotal role in our ongoing efforts to minimise carbon emissions. This innovative technology highlights our determination to embrace sustainable practices and contribute to the global fight against climate change. It works by utilising specific amounts of hydrogen and oxygen gases from water into the kiln, thereby reducing the use of fossil fuel, the CO2 emission levels and energy consumption.

Likewise, our collaboration with the Forestry Department and the National Environment and Planning Agency exemplifies our obligation to ensure that our communities are a part of our

sustainability journey. In support of this, during the last quarter, we launched our community garden programme in the Bull Bay area, geared towards enhancing the local environment while also promoting a sense of well-being in the community.

Simultaneously, we launched our reforestation drive at the mined-out Halberstadt Quarry in Bull Bay, reflecting our dedication to biodiversity conservation. There, a total of 450 trees were planted, including Ackee, the Otaheite Apple, and Moringa, among others. Through the restoration and replenishing of this vital ecosystem, we are actively working towards creating a harmonious balance between our industrial operations and the preservation of the natural environment.

The company is also moving to implement activities under its dust mitigation plan through the installation of dust collectors to capture and reduce fugitive dust. One of the key projects of this plan is the installation of a new main baghouse on the kiln to keep emissions well aligned with international standards, going beyond local regulations.

### Social Impact

In the last quarter of 2023, CCCL made substantial strides in fostering change in the communities of Bull Bay, St. Andrew, as well as in Copperwood, St. James. We embarked on a series of transformative initiatives with a focus on improving the living standards of Jamaicans through our flagship concrete pavement projects.

Through the implementation of these concrete pavements, we are not only contributing to the aesthetic enhancement of these areas, but more importantly, addressing critical issues such as flooding, training and development, and the movement of agricultural produce to local markets.

### Outlook

CCCL welcomed its new Managing Director, Mr. Jorge Martinez, following the departure of Mr. Yago Castro, who took up a leadership position elsewhere in Cemex. Mr. Martinez, who made an enthusiastic start on December 1, 2023 is committed to steadfast leadership and sound management practices that will further drive the efficient operation of the business.

Through combined strategic planning, effective decision-making and prudent financial stewardship, the Board and Management are confident that the company will continue to navigate challenges and capitalise on opportunities which may arise in this dynamic business landscape.

We are optimistic about the future, particularly considering the ongoing large development projects in various quarters of the island, including national projects. These activities underscore our strategic positioning and priorities in key sectors of the economy. We are continuing to deploy investments to ensure that we can better satisfy the local market demand, prioritising a reliable supply of our brands and allocating any spare capacity where necessary, as was previously done with the export of 7,000 metric tonnes of high-early strength cement to the Turks and Caicos Islands and St. Kitts and Nevis.

The Board and Management wish to thank the over 100 hardworking and dedicated staff members who undertook training in the health and safety academy—a flagship human resources programme conducted in collaboration with the health and safety department—and in other areas such as diversity and inclusion, stress recognition and management and emotional intelligence.

*Parris A. Lyew-Ayee*

**Parris A. Lyew-Ayee**  
Chairman  
February 28, 2024

*Jorge Martinez*

**Jorge Martinez**  
Director  
February 28, 2024

## SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

J\$'000	AUDITED	
	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,021,335	574,457
Trade accounts receivable, net	340,944	261,020
Other accounts receivable	335,157	389,791
Inventories, net	4,851,293	5,477,769
Accounts receivable from related parties	10,945	83,105
Other current assets	160,387	311,199
<b>Total current assets</b>	<b>9,720,061</b>	<b>7,097,341</b>
<b>NON-CURRENT ASSETS</b>		
Property, machinery and equipment, net	23,392,664	23,038,419
<b>Total non-current assets</b>	<b>23,392,664</b>	<b>23,038,419</b>
<b>TOTAL ASSETS</b>	<b>33,112,725</b>	<b>30,135,760</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Other financial obligations	58,479	57,876
Trade payables	3,390,414	3,306,357
Accounts payable to related parties	359,084	612,182
Provisions	35,082	6,929
Other current liabilities	1,542,679	2,118,213
<b>Total current liabilities</b>	<b>5,385,738</b>	<b>6,101,557</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt	-	608,208
Other financial obligations	120,912	77,954
Employee benefits obligation	818,919	927,461
Deferred income tax liabilities	2,672,494	2,298,026
Provisions	61,420	83,916
<b>Total non-current liabilities</b>	<b>3,673,745</b>	<b>3,995,565</b>
<b>TOTAL LIABILITIES</b>	<b>9,059,483</b>	<b>10,097,122</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital:		
Ordinary shares	1,808,837	1,808,837
Capital contribution	3,840,224	3,840,224
Reserves:		
Realised capital gain	1,413,661	1,413,661
Other equity reserves	4,983,373	5,077,760
Accumulated net income	12,007,147	7,898,156
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>24,053,242</b>	<b>20,038,638</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>33,112,725</b>	<b>30,135,760</b>

Approved and authorised for issue by the Board of Directors on February 28, 2024 and signed on its behalf by:

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

*Jorge Martinez* Director  
**Jorge Martinez**

## SUMMARY GROUP STATEMENT OF CASH FLOWS

J\$'000	AUDITED	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
<b>Consolidated net income</b>	<b>5,576,430</b>	<b>5,383,867</b>
Adjustments for:		
Depreciation and amortisation of assets	1,509,191	1,446,126
Recovery of impairment loss on trade account receivables	(32)	(225)
Interest income	(128,408)	(28,240)
Interest expense	124,597	151,104
Taxation charge	1,683,300	1,859,000
Property, machinery and equipment write-off	-	6,552
(Decrease) increase in rehabilitation provision	(15,499)	39,241
Inventory write off	254,987	2,821
Increase (reduction) of inventory obsolescence provision	237,589	(61,647)
(Reversal) increase of stockholding and inventory restructuring provision	(13,276)	39,495
Employee benefit expenses	11,487	23,916
Unwinding of discount on preference shares	-	402,235
Unwinding of discount on rehabilitation provision	22,142	10,701
Unwinding of discount on lease liabilities	13,047	17,365
Unrealised foreign exchange losses (gains), net	60,155	(48,755)
Changes in working capital, excluding taxes	(112,467)	(3,516,928)
<b>Net cash flow provided by operating activities before employee benefits paid, interest received, interest paid and taxation paid</b>	<b>9,223,243</b>	<b>5,726,628</b>
Employee benefits paid	(41,306)	(38,241)
Interest received	128,408	28,240
Interest paid	(6,661)	(79,603)
Taxation paid	(1,795,659)	(1,422,887)
<b>Net cash flows provided by operating activities</b>	<b>7,508,025</b>	<b>4,214,137</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, machinery and equipment	(1,748,297)	(1,259,090)
Accounts receivable from related parties	-	(45,257)
<b>Net cash flows used in investing activities</b>	<b>(1,748,297)</b>	<b>(1,304,347)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	-	616,383
Repayment of long-term debt	(608,208)	-
Other financial obligations:		
Repayment of redeemable preference shares	-	(1,843,945)
Dividend paid	(1,630,580)	(1,264,011)
Repayment of lease liabilities, net	(84,625)	(68,975)
<b>Net cash flows used in financing activities</b>	<b>(2,323,413)</b>	<b>(2,560,548)</b>
Increase in cash and cash equivalents	3,436,315	349,242
Cash conversion effect, net	10,563	(19,685)
Cash and cash equivalents at beginning of year	574,457	244,900
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>4,021,335</b>	<b>574,457</b>
<b>Changes in working capital, excluding taxation:</b>		
Trade accounts receivable, net	(79,892)	63,049
Other current assets	252,744	(490,499)
Inventories	147,176	(2,018,332)
Trade payables	68,678	(1,122,256)
Provisions	(986)	-
Other current liabilities	(500,187)	51,110
<b>Changes in working capital, excluding taxation</b>	<b>(112,467)</b>	<b>(3,516,928)</b>

# SUMMARY GROUP AUDITED FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

## SUMMARY GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

J\$'000	Reserves						Total capital & reserves
	Ordinary share capital	Capital contribution	Realised capital gain	Other equity reserves	Accumulated net income	Total reserves	
<b>Balance as of December 31, 2021</b>	<b>1,808,837</b>	<b>3,839,090</b>	<b>1,413,661</b>	<b>3,577,892</b>	<b>5,139,707</b>	<b>10,131,260</b>	<b>15,779,187</b>
Net income	-	-	-	-	5,383,867	5,383,867	5,383,867
Transfer to capital redemption fund reserve	-	-	-	1,548,857	(1,548,857)	-	-
Total other items of comprehensive income	-	-	-	(48,989)	202,870	153,881	153,881
Transaction with owners:							
Dividends	-	-	-	-	(1,279,431)	(1,279,431)	(1,279,431)
Share-based compensation	-	1,134	-	-	-	-	1,134
<b>Balance as of December 31, 2022</b>	<b>1,808,837</b>	<b>3,840,224</b>	<b>1,413,661</b>	<b>5,077,760</b>	<b>7,898,156</b>	<b>14,389,577</b>	<b>20,038,638</b>
Net income	-	-	-	-	5,576,430	5,576,430	5,576,430
Total other items of comprehensive income	-	-	-	(94,387)	147,721	53,334	53,334
Transaction with owners:							
Dividends	-	-	-	-	(1,615,160)	(1,615,160)	(1,615,160)
<b>Balance as of December 31, 2023</b>	<b>1,808,837</b>	<b>3,840,224</b>	<b>1,413,661</b>	<b>4,983,373</b>	<b>12,007,147</b>	<b>18,404,181</b>	<b>24,053,242</b>

### NOTES

#### 1. Basis of preparation

The summary Group 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 Group statement of financial position, Group income statement, Group statement of other comprehensive income, Group statement of changes in stockholders' equity and Group statement of cash flows. These summary Group financial statements are derived from the audited Group financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the year ended December 31, 2023, 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 summary Group financial statements as of and for the year ended December 31, 2023, have been prepared in accordance with the accounting policies used in the audited financial statements as of and for the year ended December 31, 2023. 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. Basic and diluted earnings per share

Basic and diluted earnings per share is computed by dividing the consolidated net income attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

#### 4. Comparative information

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

#### 5. Cash and cash equivalents

Cash and cash equivalents includes a deposit investment account of J\$3.5 billion (US\$23.0 million) in CEMEX Innovation Holding Limited, which generates interest at a rate equal to the Western Asset Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days. This is a highly liquid investment equivalent to cash which can be withdrawn at any time with minimal notice.

#### 6. Total cost of sales and operating expenses

During the year, the Company undertook the planned major maintenance of its major production equipment in January and February 2023. In this period, the Company incurred higher costs due to 1) excess inventory items consumed in "Raw material and consumables", 2) additional hired manpower in "Personnel remuneration and benefits", 3) general higher maintenance cost in "Repairs and maintenance" and 4) higher "Changes in inventories of finished goods and work in progress".

#### 7. Dividends

At the Annual General Meeting of Caribbean Cement Company Limited (CCCL) held on September 8, 2023, the company by ordinary resolution declared a final dividend of \$1.8976 per share totalling \$1.615 billion, which was paid on October 6, 2023, to shareholders on record as at August 24, 2023, with an ex-dividend date of August 23, 2023. In the prior year, the company declared dividend of \$1.5032 per share totalling \$1.279 billion to shareholders.

#### 8. Operating earnings before other expenses, net [expressed in J\$'000]

Operating earnings before other income and other expenses, by nature is as follows:

	AUDITED	
	2023	2022
<b>Revenue</b>	<b>27,719,929</b>	<b>25,837,228</b>
<b>Expenses:</b>		
Raw material and consumables	2,902,314	1,830,926
Fuel and electricity	4,976,959	5,616,001
Personnel remuneration and benefits	2,868,949	2,637,763
Repairs and maintenance	1,860,444	1,408,704
Equipment hire	1,620,021	1,448,377
Cement transportation, marketing and selling expenses	890,983	933,522
Other operating expenses	1,372,921	1,090,381
Depreciation, impairment and amortisation	1,509,191	1,446,126
Changes in inventories of finished goods and work in progress	1,271,915	746,537
<b>Total cost of sales and operating expenses</b>	<b>19,273,697</b>	<b>17,158,337</b>
<b>Operating earnings before other income and other expenses</b>	<b>8,446,232</b>	<b>8,678,891</b>

#### 9. Other income and other expenses [expressed in J\$'000]

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

	AUDITED	
	2023	2022
<b>Other income:</b>		
Insurance claim recovery	2,182	80,437
Other	16,458	21,564
<b>Total other income</b>	<b>18,640</b>	<b>102,001</b>
<b>Other expenses:</b>		
Manpower restructuring costs	41,796	2,557
(Reversal) increase in stockholding and inventory restructuring provision	(13,276)	39,495
Demolition expenses	3,643	42,591
Receivables write-off	18,739	-
Inventory write-off	254,987	2,821
Management fees	204,143	200,656
Royalty and service fees	501,154	474,529
Property, machinery and equipment write-off	-	6,552
Non-recoverable GCT expenses write-off	-	119,553
COVID-19 related expenses	-	4,982
Others, net	29,055	22,813
<b>Total other expenses</b>	<b>1,040,241</b>	<b>916,549</b>
<b>Total other income and other expenses</b>	<b>1,021,601</b>	<b>814,548</b>



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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY GROUP FINANCIAL STATEMENTS

To the Shareholders of  
CARIBBEAN CEMENT COMPANY LIMITED

#### Opinion

The summary Group financial statements, which comprise the Group statement of financial position as at December 31, 2023, the Group income statement and Group statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and related notes, are derived from the complete audited consolidated financial statements of Caribbean Cement Company Limited and its Subsidiary (the "Group") for the year ended December 31, 2023.

In our opinion, the accompanying summary Group financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with Practice Statement 2016-1, Summary Financial Statements, issued by the Institute of Chartered Accountants of Jamaica.

#### Summary Group Financial Statements

The summary Group financial statements do not contain all the disclosures required by IFRS Accounting Standards applied in the preparation of financial statements of the Group. Reading the summary Group financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary Group financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

#### The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated February 28, 2024. The report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Group financial statements of the current period.

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

#### Responsibilities of Management for the Summary Group Financial Statements

Management is responsible for the preparation of the summary Group financial statements in accordance with Practice Statement 2016-1, Summary Financial Statements, issued by the Institute of Chartered Accountants of Jamaica.

#### Auditor's Responsibilities for the Audit of the Summary Group Financial Statements

Our responsibility is to express an opinion on whether the summary Group financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Chartered Accountants  
Kingston, Jamaica  
February 28, 2024

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