

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

JS\$'000	Note	UNAUDITED		AUDITED
		Nine Months Jan to Sep		Year Jan to Dec
		2023	2022	2022
Balance as at beginning of period		20,038,638	15,779,187	15,779,187
Net income for the period		4,385,448	4,252,289	5,383,867
Remeasurement of employee benefits obligation, net of tax		-	-	202,870
Hedge reserve		(48,372)	(3,607)	(48,989)
Total comprehensive income for the period		4,337,076	4,248,682	5,537,748
Transaction with owners:				
Dividends	8	(1,615,160)	-	(1,279,431)
Share-based compensation		-	-	1,134
		(1,615,160)	-	(1,278,297)
Balance as at end of period		22,760,554	20,027,869	20,038,638

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 other comprehensive income, consolidated statement of changes in stockholders' equity and consolidated statement of cash flows. These condensed consolidated financial statements are derived from the unaudited condensed consolidated interim financial statements of Caribbean Cement Company Limited and its Subsidiary ("the Group") as of and for the period ended September 30, 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 condensed consolidated financial statements as of and for the period ended September 30, 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, 2022. 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 period.

4. Comparative information

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

5. Accounts receivable from related parties

Accounts receivable from related parties includes a deposit investment account of J\$4.0 billion (US\$26.0 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 as cash which can be withdrawn at any time.

6. Total cost of sales and operating expenses

During the nine-month period ending September 30, 2023, 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. Impact of Ukraine/Russia conflict

On February 24, 2022, the geopolitical situation in Eastern Europe intensified with the invasion of Ukraine by Russia. The war continues to evolve as global sanctions were imposed, immediately impacting entities that have counter-party relationships in Russia and certain neighbouring countries. In addition, the war impacted global financial markets, which exacerbated that already existed as a result of the global pandemic, including issues such as supply chain disruptions and rising inflation.

The Group has concluded that given the composition of our statement of financial position, its exposure to the negative impacts of these risks is not significant to its profitability and going concern. However, through its risk management function, the Group continuously assesses the impact of such risks and has an established series of early warning indicators through various risk metric to ensure that liquidity and capital positions are in place to sufficiently support the operations of the Group. There were no material changes in valuations or impairment positions as at September 30, 2023.

8. Dividends

At the Annual General Meeting of Caribbean Cement Company Limited (CCCL) held on September ,8 2023, the shareholders of CCCL declared a final dividend of \$1.8976 per share, 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. Included in "Accounts payable to related parties" is dividend payable to Parent Company amounting to J\$1.1 billion.

9. Operating earnings before other income and other expenses [expressed in JS\$'000]

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

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2023	2022	2022
Revenue	6,989,659	6,166,996	21,267,039	19,683,782	25,837,228
Expenses:					
Raw material and consumables	684,416	479,874	2,502,314	1,417,931	1,830,926
Fuel and electricity	1,394,046	1,341,409	3,790,453	4,089,241	5,616,001
Personnel remuneration and benefits	670,247	668,655	2,106,955	1,991,199	2,637,763
Repairs and maintenance	380,672	353,699	1,573,828	1,057,024	1,408,704
Equipment hire	548,967	284,713	1,465,414	966,234	1,448,377
Cement transportation, marketing and selling expenses	160,290	195,598	676,605	716,726	933,522
Other operating expenses	323,393	280,138	912,458	788,535	1,090,381
Depreciation, impairment and amortisation	377,920	360,802	1,114,296	1,086,018	1,446,126
Changes in inventories of finished goods and work in progress	(351,469)	157,678	724,079	773,294	746,537
Total cost of sales and operating expenses	4,188,482	4,122,566	14,866,402	12,886,202	17,158,337
Operating earnings before other income and other expenses	2,801,177	2,044,430	6,400,637	6,797,580	8,678,891

10. Other income and other expenses [expressed in JS\$'000]

"Other income and other expenses" by nature is as follows:

	UNAUDITED				AUDITED
	Three Months Jul to Sep		Nine Months Jan to Sep		Year Jan to Dec
	2023	2022	2023	2022	2022
Other income:					
Insurance claim recovery	949	-	2,182	-	80,437
Decrease in stockholding and inventory restructuring provision	29,142	-	29,142	-	-
Other	-	-	5,655	6,919	21,564
Total other income	30,091	-	36,979	80,437	102,001
Other expenses:					
Manpower restructuring costs	-	-	-	-	2,557
Increase in stockholding and inventory restructuring provision	(2,010)	6,312	-	15,413	39,495
Demolition expenses	-	-	-	38,948	42,591
Inventory write-off	75,678	(579)	75,678	559	2,821
Management fees	57,206	49,693	158,974	150,735	200,656
Royalty and service fees	125,539	135,477	391,544	401,641	474,529
Property, machinery and equipment write-off	-	-	-	-	6,552
Non-recoverable GCT expenses write-off	-	-	-	-	119,553
COVID-19-related expenses	-	1,188	-	3,398	4,982
Other	7,601	(26,210)	42,344	69,040	22,813
Total other expenses	264,014	165,881	668,540	679,734	916,549
Total other income and other expenses	233,923	165,881	631,561	599,297	814,548