

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT



corresponding quarter in 2022.



FOR THE SIX MONTHS ENDED JUNE 30, 2023

J\$'000		UNAUDITED				AUDITED
		Three Months Apr to Jun			Six Months Jan to Jun	
	Notes	2023	2022	2023	2022	2022
Revenue		7,475,133	6,702,036	14,277,380	13,516,786	25,837,228
Cost of sales		(3,796,029)	(3,771,887)	(9,291,354)	(7,414,124)	(14,476,081
Gross profit		3,679,104	2,930,149	4,986,026	6,102,662	11,361,147
Administrative expenses		(267,881)	(250,243)	(506,755)	(430,623)	(941,870
Selling expenses		(59,024)	(54,632)	(115,799)	(106,466)	(188,793
Distribution and logistics expenses		(389,465)	(414,598)	(763,874)	(812,423)	(1,551,818
(Increase in) recovery of impairment los	s on					
trade accounts receivable		-	-	(138)	-	225
Total operating expenses		(716,370)	(719,473)	(1,386,566)	(1,349,512)	(2,682,256
Operating earnings before other inco	me					
and other expenses	8	2,962,734	2,210,676	3,599,460	4,753,150	8,678,891
Other income	9	6,888	4,008	6,888	6,919	102,001
Other expenses	9	(85,201)	(233,245)	(404,526)	(440,335)	(916,549
Operating earnings		2,884,421	1,981,439	3,201,822	4,319,734	7,864,343
Financial income		29,231	4,020	36,522	7,331	28,240
Financial expenses		4,917	(142,529)	(93,587)	(276,179)	(581,405
(Loss) gain on foreign exchange		(4,881)	19,458	(74,559)	(19,136)	(68,311
Earnings before taxation		2,913,688	1,862,388	3,070,198	4,031,750	7,242,867
Taxation charge		(757,450)	(410,915)	(624,561)	(989,733)	(1,859,000
CONSOLIDATED NET INCOME		2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Basic and diluted earnings per share						
(expressed in \$ per share)	3	2.53	1.71	2.87	3.57	6.33

CONDENSED CONSOLIDATED ST	ATEMENT	OF OTHER	COMPRE	HENSIVE II	NCOME
J \$'000			AUDITED		
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec
	2023	2022	2023	2022	2022
CONSOLIDATED NET INCOME	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Items that will not be reclassified subsequently to the income statement: Net actuarial gains from remeasurement of employee benefits obligation	-	-	-	-	270,494
Deferred tax recognised directly in other comprehensive income	-	-	-	-	(67,624)
the state of the s	-	-	-	-	202,870
Items that are or may be reclassified subsequently to the income statement:					
Effects from derivative financial instruments designated as cash flow hedge	25,100	(37,135)	(51,454)	16,446	(48,989)
Total items of other comprehensive income (loss), net	25,100	(37,135)	(51,454)	16,446	153,881
TOTAL COMPREHENSIVE INCOME	2,181,338	1,414,338	2,394,183	3,058,463	5,537,748

TOTAL COMPREHENSIVE INCOME	2,181,338	1,414,338	2,394,183	3,058,463	5,537,748
CONDENSED CONSOLIDAT	ED GTVIE	MENT OF	EINANCI	NI DOCITI	ΩN
	LU SIAIL	IVILIAI OI	I IIVANUI	AL I USITI	ON
J \$'000			UNAU	DITED	AUDITED
ASSETS			30.06.23	30.06.22	31.12.22
CURRENT ASSETS			745 705	000 400	F74 4F7
Cash at bank and on hand			715,725	800,420	574,457
Trade accounts receivable, net Other accounts receivable			316,939	1 ′	261,020 389,791
Inventories, net			346,450 4,531,005		5,477,769
Accounts receivable from related parties		5	1,974,864		83,105
Other current assets		5	774,315	1 '	311,199
Total current assets			8,659,298		7.097.341
NON-CURRENT ASSETS			0,009,290	0,455,059	7,097,341
Property, machinery and equipment, net			22 921 202	22,939,725	23,038,419
Other non-current assets			22,001,092	2,702	25,056,419
Total non-current assets			22 831 302	22,942,427	23,038,419
TOTAL ASSETS			31.490.690		30,135,760
LIABILITIES AND SHAREHOLDERS' EQUIT	v		01,430,030	23,030,000	00,100,700
CURRENT LIABILITIES	•				
Other financial obligations			99,249	1,680,957	57,876
Trade payables			2,517,318		3,306,357
Accounts payable to related parties			318,854	I	612,182
Other current liabilities			2,491,989	1,649,407	2,125,142
Total current liabilities			5,427,410	7,229,894	6,101,557
NON-CURRENT LIABILITIES			, ,	, ,	, ,
Long-term debt			-	-	608,208
Other financial obligations			91,226	102,686	77,954
Employee benefits obligation			970,523	, - ,	927,461
Deferred tax liabilities			2,464,250	2,028,987	2,298,026
Accounts payable to related parties			9,212	-	-
Other non-current liabilities			95,248		83,916
Total non-current liabilities			3,630,459		3,995,565
TOTAL LIABILITIES			9,057,869	10,558,416	10,097,122
SHAREHOLDERS' EQUITY					
Share capital:			1 000 007	1 000 007	1 000 007
Ordinary shares			1,808,837	1,808,837	1,808,837
Capital contribution			3,840,224	3,839,090	3,840,224
Reserves:			1 410 601	1 410 601	1 410 601
Realised capital gain			1,413,661		1,413,661
Other equity reserves Accumulated net income			5,026,306 10,343,793		5,077,760 7,898,156
TOTAL SHAREHOLDERS' EQUITY				18,837,650	20,038,638
TOTAL SHAREHOLDERS EQUITY TOTAL LIABILITIES AND SHAREHOLDERS	, EUIITA			29,396,066	30,135,760
Approved and authorised for issue by the Boar	rd of Directors	on July 28, 2	2023 and sigr	ed on its beh	alf by:

_ Director

Yago Castro

Panvis A. Lyen-Ayee

Parris A. Lyew-Ayee

_ Chairman

DIRECTORS' STATEMENT

Health and Safety

Caribbean Cement Company Limited (CCCL) continued to strengthen its value of health and safety this quarter with several members of staff receiving certificates of completion after participating in a behavioural safety module, designed to effectively develop positive attitudes towards workplace safety.

This quarter also saw the Company undertaking two Vulnerable Road User (VRU) initiatives at its lime plant operations in Clarendon and at its headquarters in Rockfort, Kingston for members of staff. The initiative was organised by the supply chain department and held in conjunction with the country's observance of Road Safety Awareness Month in June.

We also participated in the much-anticipated Grennell's Road Safety workshop and expo, further spreading the message of the VRU initiative as well as the measures undertaken by the Company to ensure safety on our roads.

Sustainability

CCCL continued the promotion and implementation of activities under its Future in Action (FIA) strategy geared towards achieving sustainable excellence through climate action, circularity, and natural resource management with the primary objective of becoming a net-zero company. During this quarter, the Company staged another beach cleanup at the Palisadoes Beach strip in East Kingston, partnering with RUBiS Energy Jamaica Limited (RUBIS) and students from the Excelsior Community College. A total of 150 kilogrammes of waste was co-processed and 90 kilogrammes of waste was recycled.

The Company also undertook a tree-planting exercise in observance of Cemex's Sustainability Week, June 5-9, which was held in tandem with the national observance of National Environmental Awareness Week, June 2-8. Several seedlings were planted in a green space close to the administrative block.

Financial Performance

During the first half of the year, the Group realised revenue of \$14.3 billion, representing a 5.6% increase when compared with the corresponding period in 2022. Revenue for the quarter increased by 11.5% to \$7.5 billion over the same quarter last year.

Due to the impact of the high cost experienced from the scheduled annual maintenance exercise in the first quarter of 2023, the Group's "Operating earnings before other income and expenses" was \$3.6 billion, or 24.3% lower than the \$4.8 billion reported for the same six-month period in 2022. For the second quarter, the Group started to realise the benefits from its first quarter investment in maintenance efforts, as evidenced by the operational efficiencies and operative cost containment experienced in the second quarter. The "Operating earnings before other income and expenses" for the quarter was \$3.0 billion, or 34.0% higher than the \$2.2 billion reported for the

For the first half of the year, the Group recorded "Earnings before taxation" of \$3.1 billion, which was lower than the \$4.0 billion reported in 2022. The "Earnings before taxation" for the quarter was \$2.9 billion representing an improvement of 56.4% over the \$1.9 billion achieved in the second quarter last year. Also contributing to the Group's positive "Earnings before taxation" was the effect of the decision to implement a debt and foreign exposure reduction intitative.

The overall "Consolidated net income" of \$2.4\$ billion for the second quarter was higher than the corresponding period in 2022 by \$0.6\$ billion.

"Earnings per share" for the quarter was \$2.53, an increase of \$0.82 when compared to the \$1.71 for the corresponding period in 2022.

In relation to the cash flows, "Net cash provided by operating activities" was \$3.3 billion for the six-month period and \$1.1 billion for the quarter. The cash flow generation during the quarter and the available cash at the beginning of the period have allowed the Group to invest \$2.0 billion during the first half of the year and \$0.8 billion during the second quarter.

Outlook

Caribbean Cement Company Limited continues the implementation of the requisite business strategies to ensure sustainability of its operations. The Company remains optimistic about its financial position, buoyed by the large number of real estate developments slated to come on stream especially in the parishes of Trelawny and St. James. Furthermore, recent pronouncements about the new high-end tourism developments in the eastern part of the island, which feature premium villas, augur well for the Company. The Company will continue to carry out its flagship concrete road solution programme, with several communities slated to benefit from the intervention in short order.

Parris A. Lyew-Ayee
Chairman
July 28, 2023

Yago Castro Director July 28, 2023

CONDENSED CONSOLIDA					
	ATED OTA		OF OACH	FLOWC	
J\$'000	AIED SIA	MEIMENT	UF CASH	FLUW5	
3 2,000	UNAUDITED				AUDITED
		Months o Jun		onths o Jun	Year Jan to Dec
OPERATING ACTIVITIES	2023	2022	2023	2022	2022
Consolidated net income	2,156,238	1,451,473	2,445,637	3,042,017	5,383,867
Adjustments for:					
Depreciation and amortisation of assets	369,057	362,663	736,376	725,216	1,446,126
Increase in (recovery of) impaired trade accounts receivable			120		(205)
Interest income	(29,231)	(4,020)	138 (36,522)	(7,331)	(225) (28,240)
Interest income Interest expenses	(13,437)	36,005	77,118	61,570	151,104
Taxation charge	757,450	410,915	624,561	989,733	1,859,000
Property, machinery and equipment write-off	-	-		-	6,552
Increase in rehabilitation provision	-	-	-	-	39,241
Inventory write-off	-	-	-	-	2,821
Increase in (reduction of) inventory				400	(04.047
obsolescence provision	-	-	-	409	(61,647
(Decrease) increase in stockholding and inventory restructuring provision	(98,837)	1,987	2,010	9.101	39,495
Employee benefit expenses	2,872	5,979	5,744	11,958	23,916
Unwinding of discount on preference shares		100.382	- 0,144	201,893	402,235
Unwinding of discount on rehabilitation provision	5,536	1,242	11,071	2,491	10,701
Unwinding of discount on lease liabilities	2,996	4,900	5,410	10,225	17,365
Unrealised foreign exchange (gains) losses, net	(23,339)	(12,206)	29,084	(8,833)	(48,755
Changes in working capital, excluding taxes	(1,746,890)	(1,074,375)	472,296	(2,501,624)	(3,516,928
Net cash flow provided by operating					
activities before employee benefits paid,	1 200 415	1 004 045	4,372,923	0 506 005	E 700 000
interest received, interest paid and taxation paid Employee benefits paid	1,382,415 (8,037)	1,284,945 (10,111)	, ,	2,536,825 (19,641)	5,726,628 (38,241
Interest received	29,231	4,020	36,522	7,331	28,240
Interest paid	40,210	(13,302)	(22,990)	(14,391)	(79,603
Taxation paid	(364,332)	(279,752)		(863,388)	(1,422,887
Net cash flows provided by operating activities	1,079,487	985,800	3,297,241	1,646,736	4,214,137
INVESTING ACTIVITIES					
Property, machinery and equipment, net	(287,949)	(262,531)	(529,349)	(432,934)	(1,259,090
Accounts receivable from related parties	(808,044)	, , ,	(1,964,984)	(605,312)	(45,257
Other non-current assets	(4 OOF OOO)	(2,702)	(0.404.000)	(2,702)	/4 004 047
Net cash flows used in investing activities	(1,095,993)	(559,081)	(2,494,333)	(1,040,948)	(1,304,347
FINANCING ACTIVITIES (Repayment of) drawdown on long-term debt			(608,208)		616,383
Other financial obligations:	_	_	(000,200)	_	010,300
Repayment of redeemable preference shares	_	_	_	_	(1,843,945
Dividends paid	_	_	(15,420)	_	(1,264,011
Payment of lease liabilities	(21,851)	(19,752)	(43,024)	(43,103)	(68,975
Net cash flows used in financing activities	(21,851)	(19,752)	(666,652)	(43,103)	(2,560,548
(Decrease) increase in cash at bank and on hand	(38,357)		136,256	562,685	349,242
Cash conversion effect, net	44,349	(8,238)	5,012	(7,165)	(19,685
Cash at bank and on hand at beginning of period	709,733	401,691	574,457	244,900	244,900
CASH AT BANK AND ON HAND AT END OF PERIOD	715,725	800,420	715,725	800,420	574,457
Changes in working capital, excluding taxes:		000,420	115,125	000,420	5/4,45/
Trade accounts receivable, net	(13,703)	(64,691)	(55,001)	(122,109)	63,049
Other current assets	(558,942)	(203,828)	(365,250)	(214,607)	(490,499
Inventories	(209,395)	(653,738)	944,754	(688,152)	(2,018,332
		1 1	(802,971)		(1,122,256
Trade payables	(287,627)	(425,223)	(002,311)	(1,301,302)	(1,122,200
Trade payables Other current liabilities	(287,627) (677,223)	273,105	750,764	85,226	51,110



CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL REPORT





AUDITED

1,448,377

933,522

1 090 381

1,446,126

746,537

17,158,337

8,678,891

FOR THE SIX MONTHS ENDED JUNE 30, 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						
J\$'000	UNAUD	AUDITED				
	Six Months Jan to Jun		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	2,445,637	3,042,017	5,383,867			
Remeasurement of employee benefits obligation, net of tax	-	-	202,870			
Hedge reserve	(51,454)	16,446	(48,989)			
Total comprehensive income for the period	2,394,183	3,058,463	5,537,748			
Transaction with owners:						
Dividends	-	-	(1,279,431)			
Share-based compensation	-	-	1,134			
	-	-	(1,278,297)			
Balance as at end of period	22,432,821	18,837,650	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 shareholders' equity and consolidated statement of cash flows. These condensed consolidated interim 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 June 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 interim financial statements as of and for the period ended June 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.

Comparative information

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

5. Accounts receivable from related parties

Accounts receivable from related parties includes a deposit investment account of J\$2.0 billion (US\$12.7 million) in CEMEX Innovation Holding Limited, which generates interest at an annual rate equal to Western Asset USD Institutional Liquid Reserves Fund rate plus 30 basis points on a daily basis of a year of 360 days.

6. Total cost of sales and operating expenses

During the six-month period ending June 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". Also, the Company experienced lower production levels of clinker and cement, which resulted in the importation of cement to cover

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 economic challenges 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 June 30, 2023.

8. Operating earnings before other income and other expenses [expressed in J\$'000] "Operating earnings before other income and other expenses" by nature is as follows:

Six Months Three Months Year Jan to Dec Apr to Jun Jan to Jun 2023 2022 2023 2022 2022 7,475,133 6,702,036 14,277,380 13,516,786 25,837,228 Revenue Expenses: Raw material and consumables 557,187 526,308 1,817,898 938,057 1,830,926 1,393,671 Fuel and electricity 1,496,169 2,396,407 2,747,832 5,616,001 Personnel remuneration and benefits 700,780 694,273 1,436,708 1,322,544 2,637,763 355,680 703.325 372.962 1.193.156 1.408.704

448,629

276,708

Repairs and maintenance Equipment hire Cement transportation, marketing and selling expenses Other operating expenses Depreciation, impairment and a Changes in inventories of finish and work in progress Total cost of sales and operat expenses

Operating earnings before oth income and other expenses

ther S	2,962,734	2,210,676	3,599,460	4,753,150	
iting	4,512,399	4,491,360	10,677,920	8,763,636	
ned goods	67,385	125,568	1,075,548	615,616	
amortisation	326,020 369,057	292,246 362,663	589,065 736,376	508,397 725,216	

372.120

266.333

UNAUDITED

916,447

516.315

681,521

521,128

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

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

		AUDITED				
	Three Months Apr to Jun		Six Months Jan to Jun		Year Jan to Dec	
	2023	2022	2023	2022	2022	
Other income:						
Insurance claim recovery	1,233	-	1,233	-	80,437	
Other	5,655	4,008	5,655	6,919	21,564	
Total other income	6,888	4,008	6,888	6,919	102,001	
Other expenses:						
Manpower restructuring costs	-	-	-	-	2,557	
(Decrease) increase in stockholding and						
inventory restructuring provision	(98,837)	1,987	2,010	9,101	39,495	
Demolition expenses	-	26,196	-	38,948	42,591	
Inventory write-off	-	446	-	1,138	2,821	
Management fees	50,273	50,284	101,768	101,042	200,656	
Royalty and service fees	148,559	132,301	266,005	266,164	474,529	
Property, machinery and equipment						
write-off	-	-	-	-	6,552	
Non-recoverable GCT expenses						
write-off	-	-	-	-	119,553	
COVID-19-related expenses	-	704	-	2,210	4,982	
Other	(14,794)	21,327	34,743	21,732	22,813	
Total other expenses	85,201	233,245	404,526	440,335	916,549	
Total other income and other expenses	78,313	229,237	397,638	433,416	814,548	