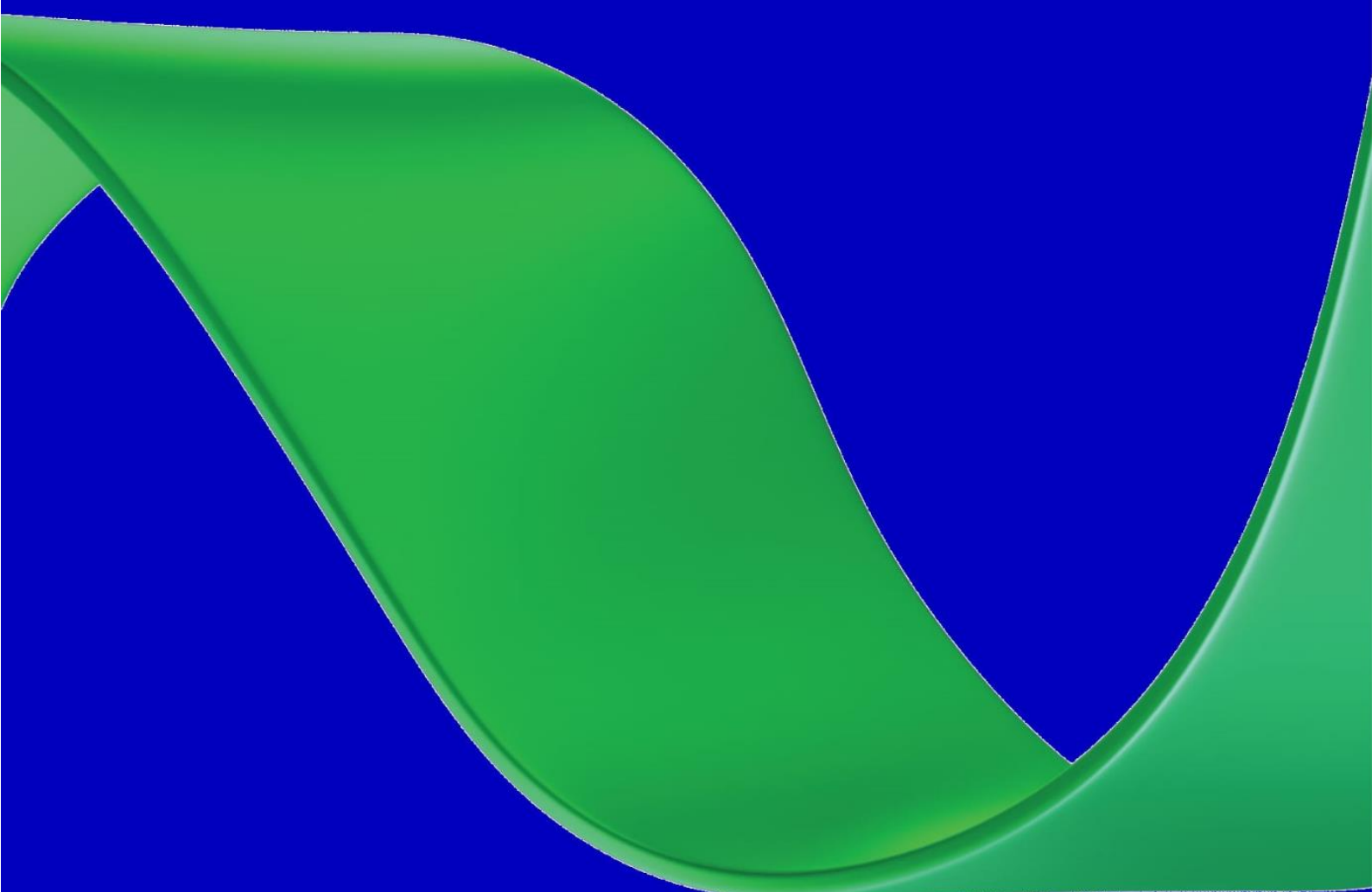


St. Marys Cement Inc. (Canada)

**Condensed Consolidated Interim Financial
Statements at September 30, 2024**
(in thousands of U.S. dollars)



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St. Marys Cement Inc. (Canada)



Condensed consolidated interim balance sheets

In thousands of U.S. dollars, unaudited

Assets	Note	30-Sep-2024	31-Dec-2023	Liabilities and shareholders' equity	Note	30-Sep-2024	31-Dec-2023
Current assets				Current liabilities			
Cash and cash equivalents	10	87,006	94,534	Borrowing	19(a)	14,459	11,277
Trade and other receivables	11	46,047	4,423	Lease liabilities	18(b)	33,756	18,693
Inventories	12	264,282	256,296	Related parties	14.1	63,317	-
Prepaid expenses		3,515	14,910	Accounts payable and accrued liabilities		196,578	277,722
Notes and capital related to SPE	13	79,666	51,716	Securitization	13	30,259	19,693
Other assets		6,452	5,130	Salaries and benefits		35,876	44,248
		486,968	427,009	Indirect taxes payable		7,178	5,349
				Income taxes payable		11,487	1,352
						392,910	378,334
Non-current assets				Non-current liabilities			
Prepaid expenses		8,906	8,813	Borrowing	19(a)	632,200	530,891
Pension assets		15,294	16,655	Lease liabilities	18(b)	162,716	152,835
Deferred income tax asset	20	10,200	17,835	Post-employment benefit obligations		40,715	40,063
Other assets		3,968	1,469	Deferred income tax liability	20	102,579	95,110
Investments accounted for using the equity method	15(a)	25,137	23,774	Provisions	21	17,126	19,413
Property, plant and equipment	16(a)	1,371,593	1,360,449	Other liabilities		12,248	13,544
Intangible assets and goodwill	17	624,390	634,594			967,584	851,856
Right-of-use assets	18(a)	192,749	163,269				
		2,252,237	2,226,858				
				Total liabilities		1,360,494	1,230,190
				Shareholders' equity			
				Share capital	22(a)	270,644	353,331
				Retained earnings		836,135	800,000
				Accumulated other comprehensive income	22(b)	271,932	270,346
				Total shareholders' equity		1,378,711	1,423,677
Total assets		2,739,205	2,653,867	Total liabilities and shareholders' equity		2,739,205	2,653,867

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

St. Marys Cement Inc. (Canada)

Condensed consolidated interim statements of income and comprehensive income

Period ended September 30

In thousands of U.S. dollars, unaudited

	Note	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Revenue from goods sold	24(a)	472,083	475,612	1,111,480	1,181,530
Cost of goods sold	25	(326,485)	(334,832)	(894,639)	(955,021)
Gross profit		145,598	140,780	216,841	226,509
Operating expense					
Selling	25	(9,230)	(8,257)	(27,660)	(26,724)
General and administrative	25	(18,588)	(18,600)	(53,191)	(53,320)
Other operating income		4,596	373	12,812	5,805
		(23,222)	(26,484)	(68,039)	(74,239)
Operating income before equity results and net financing expense		122,376	114,296	148,802	152,270
Investment results from equity share in joint ventures	15(a)	2,151	2,281	3,891	3,373
Financing results, net	26	(21,650)	(30,592)	(70,645)	(61,642)
Income before income tax		102,877	85,985	82,048	94,001
Income tax expense		(34,383)	(28,150)	(33,122)	(39,940)
Net income for the period		68,494	57,835	48,926	54,061
Other comprehensive income:					
Items that may be subsequent reclassified to profit or loss					
Accumulated foreign currency translation adjustment	22(b)	(9,611)	19,922	11,823	9,241
Changes in fair value of financial assets at fair value through other comprehensive income	22(b)	(23)	(92)	(34)	(184)
Unrealized gain (loss) on net investment hedge, net of tax	8.3	4,712	(12,514)	(10,203)	(294)
Other comprehensive (loss) income for the period		(4,922)	7,316	1,586	8,763
Total comprehensive income for the period		63,572	65,151	50,512	62,824

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in shareholder equity

Period ended September 30

In thousands of U.S. dollars, unaudited

	Note	Share capital	Retained earnings	Accumulated other comprehensive income (Note 22(b))	Total equity
Balance - December 31, 2022		457,140	695,737	269,153	1,422,030
Net income for the period		-	54,061	-	54,061
Other comprehensive income		-	-	8,763	8,763
Comprehensive income for the period		-	54,061	8,763	62,824
Foreign currency translation		2,566	(4,785)	-	(2,219)
Capital reduction	22(a)	(114,643)	-	-	(114,643)
Balance - September 30, 2023		345,063	745,013	277,916	1,367,992
Balance - December 31, 2023		353,331	800,000	270,346	1,423,677
Net income for the period		-	48,926	-	48,926
Other comprehensive income		-	-	1,586	1,586
Comprehensive income for the period		-	48,926	1,586	50,512
Foreign currency translation		(7,657)	(12,791)	-	(20,448)
Capital reduction	22(a)	(75,030)	-	-	(75,030)
Balance - September 30, 2024		270,644	836,135	271,932	1,378,711

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows

Period ended September 30

In thousands of U.S. dollars, unaudited

	Note	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Cash flows from operating activities			
Income before income tax		82,048	94,001
Adjustments of items that do not represent changes in cash and cash equivalents:			
Depreciation and amortization	25	131,538	123,900
Investment results from equity share in joint ventures	15(a)	(3,891)	(3,373)
Loss (gain) on sale of property, plant and equipment		(5,676)	(1,291)
Allowance for expected credit loss		(343)	232
Financing results, net	26	70,645	61,642
		<u>274,321</u>	<u>275,111</u>
Decrease (increase) in current assets			
Trade and other receivables		(62,957)	(66,843)
Inventories		(10,509)	(1,858)
Related parties		(1,350)	(1,656)
Other current assets		9,919	10,349
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities		(75,692)	14,867
Salaries and social charges		(7,676)	15,699
Related parties		(834)	1,254
Taxes payable		1,810	8,083
Change in non-current assets and liabilities			
Post-employment benefit obligations		2,203	2,141
Other		(16,715)	(14,916)
Cash provided by operating activities before interest and income tax		<u>112,520</u>	<u>242,231</u>
Interest paid debt	19(c)	(24,124)	(32,845)
Interest paid on lease liabilities	18(b)	(6,509)	(5,194)
Premium paid on BOND repurchase		(6,050)	-
Income tax paid		(18,158)	(10,788)
Total cash provided by operating activities		<u>57,679</u>	<u>193,404</u>
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment and intangible assets		7,046	1,440
Dividends received		424	2,285
Acquisition of associates and joint ventures		-	(5,411)
Acquisition of investments		(2,220)	(2,445)
Return of capital		2,000	-
Capital contribution JV		-	(500)
Acquisition of property, plant and equipment	16(a)	(114,822)	(102,832)
Acquisition of intangible assets	17	(1,954)	(3,328)
Total cash used from investing activities		<u>(109,526)</u>	<u>(110,791)</u>
Cash flows from financing activities			
Proceeds from borrowings	19(c)	837,098	121,808
Repayment of borrowings	19(c)	(734,928)	(55,764)
Payment of lease liabilities	18(b)	(36,479)	(28,010)
Return of capital	22(a)	(12,755)	(19,473)
Financial costs, except interest		(7,413)	(6,169)
Total cash provided by financing activities		<u>45,523</u>	<u>12,392</u>
Increase in cash and cash equivalents		<u>(6,324)</u>	<u>95,005</u>
Effect of foreign exchange on cash		(1,204)	(209)
Cash and cash equivalents at the beginning of the period		<u>94,534</u>	<u>80,284</u>
Cash and cash equivalents at the end of the period		<u>87,006</u>	<u>175,080</u>
Return of capital	22(a)	(62,275)	(95,170)
Related parties	22(a)	62,275	95,170

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1 General information

St. Marys Cement Inc. (Canada) (“the Company” or “SMCI”) is a subsidiary controlled by Votorantim Cimentos Internacional S.A. (“VCI”) which holds 83% of the capital of SMCI and is in turn directly controlled by Votorantim Cimentos S.A. (“VCSA”), which holds 100% of VCI’s capital. McInnis Holding Limited Partnership (“McInnis Holding”) owns 17% of the Company’s capital. McInnis Holding is indirectly controlled by Caisse Dépôt et Placement du Québec (“CDPQ”).

St. Marys Cement Inc. (Canada) and its subsidiaries (together “the Group”) manufactures and distributes heavy building materials, which includes cement, aggregates, ready-mix concrete and construction related materials. The Group has facilities in Canada and the United States. The address of its registered office is 55 Industrial St, Toronto, Ontario, Canada.

2 Approval of the condensed consolidated interim financial statements

These condensed consolidated interim financial statements for the nine-month period ended September 30, 2024, were approved by the Management on October 30, 2024.

3 Main events which occurred in the interim period

3.1 Capital reduction

On June 27, 2024, the Company approved a capital return in the amount of \$75.0 million to its shareholders (\$62.3 million to VCI and \$12.7 million to McInnis), with no reduction in the number of outstanding Class A Common shares of the Company.

On the same date, the Company fully settled in cash the \$12.7 million owned to McInnis Holding. It was also decided to convert the \$62.3 million due to VCI into a shareholder loan, maturing on December 27, 2024 and bearing an interest rate of SOFR + 0.95%.

3.2 Bond issuance and Make-Whole

On April 2, 2024, the Company concluded the issuance of a Bond (“Voto 34”) in the international capital markets amounting to USD 500,000, with maturity in 2034 and containing sustainability performance indicators (sustainability-linked bonds) related to CO2 net emissions (scope 1) and thermal substitution of its parent Company, VCSA, to be measured as of December 31, 2028. This new issuance has a coupon of 5.75% per year to be paid bi-annually and is fully and irrevocably guaranteed by Votorantim Cimentos S.A.

On April 4, 2024, with the net proceeds from the new issuance, the Company concluded a repurchase “Tender Offer” of outstanding notes related to the Bond with maturity in 2027 (“Voto 27”), repurchasing an amount of USD 261,553. After the conclusion of the Tender Offer, the outstanding amount of Voto 27’s principal was USD 238,447.

On June 11, 2024, the Company exercised its right to redeem (“Make-Whole”) all of the outstanding aggregate principal amount of its 5.75% Senior Notes due on 2027 pursuant to the term and conditions of the 2027 Notes Indenture.

The settlement occurred on July 11, 2024, amounting to USD 238,571, including the principal, a premium and interest accrued up to the settlement date.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
In thousands of U.S. dollars, unless otherwise stated, unaudited

4 Supplementary information

4.1 Adjusted EBITDA

The following table reconciles the quarterly, and last twelve months adjusted EBITDA calculated from the income (loss) for the period:

	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	Last twelve months ended 30-Sep-2024	Last twelve months ended 31-Dec-2023
Revenue from goods sold	472,083	475,612	1,111,480	1,181,530	1,500,255	1,570,305
Net income for the period	68,494	57,835	48,926	54,061	97,784	102,919
Income before income tax	102,877	85,985	82,048	94,001	152,433	164,386
Depreciation and amortization	44,084	39,865	131,538	123,900	172,916	165,278
Financial results, net	21,650	30,592	70,645	61,642	64,792	55,789
Investment results from equity share in joint ventures	(2,151)	(2,281)	(3,891)	(3,373)	(5,774)	(5,256)
Dividends received	282	-	2,424	2,285	4,308	4,169
Adjusted EBITDA items						
Impairment of non-current assets	-	-	-	-	9,505	9,505
Adjusted EBITDA	166,742	154,161	282,764	278,455	398,180	393,871

4.2 Capital management

The ratios at ended September 30, 2024 and December 31, 2023 were as follows:

	30-Sep-2024	31-Dec-2023
Borrowing	646,659	542,168
Lease liabilities	196,472	171,528
Cash and cash equivalents	(87,006)	(94,534)
Net debt - (A)	756,125	619,162
Adjusted EBITDA last 12 months - (B)	398,180	393,871
Financial leverage ratio - (A/B)	1.90	1.57

5 Changes in accounting policies and disclosures

5.1 New standards and amendments issued and adopted by the Company and its subsidiaries

a) Amendment to IFRS 16: "Leases: Lease liability in a sale and lease back"

The amendments are related to the requirement for sale and leaseback transactions in IFRS 16 explaining how a seller/lessee accounts for a sale and leaseback after the date of the transaction. The amendments were adopted on January 1, 2024 and did not have any significant impact on the consolidated financial statements.

b) Amendment to IAS 1 "Presentation of financial statements" – Non-current liabilities with covenants

The amendment aims to clarify the requirements to determine if a liability should be classified as "current" or "non-current" and requires new disclosures to non-current liabilities that are subject to future covenants. The amendments were adopted on January 1, 2024 and did not have any significant impact on the consolidated financial statements.

5.2 New standards and amendments issued and not yet adopted by the Company and its subsidiaries

New standards and amendments to existing standards and interpretations have been issued but are not yet in force. The Company intends to adopt these new standards, amendments, and interpretations, if applicable, when they come into force. The Company has not identified any material impacts to its operations and accounting policies as a result of new standards and amendments to be adopted.

a) Amendment to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” – Supplier Finance

The amendment introduces new disclosures regarding agreements considered “Supplier Finance”, aiming to help the readers of the financial statements to assess the impacts of these agreements on the Company’s liabilities, cash flow and liquidity risk. The changes are applicable for annual periods starting on or after January 1, 2024, and not mandatory for interim financial statements. The Company’s will apply the new disclosures in the annual consolidated financial statements for year ended December 31, 2024.

b) IFRS 18 “Presentation and Disclosure in Financial Statements”

In April 2024, IFRS 18 was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statement sand requires retrospective application. The Company is carrying out preliminary assessments of the impacts of this new standard in its financial statements.

6 Basis of presentation

6.1 Condensed consolidated interim financial statement

These condensed consolidated interim financial statements were prepared and are being presented in accordance with the IFRS Accounting Standards applicable to the preparation of condensed consolidated interim financial statements, under International Accounting Standard 34, Interim Financial Reporting , as issued by the International Accounting Standards Board (IFRS Accounting Standards), applicable to the preparation of interim financial statements.

These condensed consolidated interim financial statements do not contain all the explanatory notes and disclosures required by the accounting standards applicable to the annual consolidated financial statements, since its purpose is to provide an update on the significant activities, events and circumstances compared to the annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2023, approved by the Board of Directors of the Company on February 20, 2024.

These condensed consolidated interim financial statements have been prepared in a manner consistent with the accounting policies disclosed in the annual audited consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements disclose all the applicable significant information related to the interim financial statements and are unaudited.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
 In thousands of U.S. dollars, unless otherwise stated, unaudited

7 Critical accounting estimates and assumptions

In the period ended September 30, 2024, there have been no changes in estimates and assumptions that present a significant risk and probability of causing material adjustments to the carrying amounts of assets and liabilities for the current fiscal year, compared to those detailed in Note 7 to the annual audited consolidated financial statements as at December 31, 2023.

8 Financial risk management

8.1 Seasonality of cement operations

Cement, ready-mix concrete and aggregate product shipments are highly seasonal in Ontario, Quebec, Atlantic Canada and the US Great Lakes Region as construction activity in the winter months slows in the first and fourth quarters. The Company's primary selling season is during the second and third quarters.

The Company also have access to a Credit Line (Note 18(d)) which the main objective is to provide additional liquidity to the Company during the seasonal months. Historically, the use of the credit line is concentrated on the first half of the year and the balance is settled substantially before the end of the year.

8.2 Environment risk management

The Company periodically reviews its environmental risk assessment and addresses the risks, either through risk mitigation actions or cost estimation actions to clear the risks identified. These risks are usually recorded as asset retirement obligations.

8.3 Hedging of net investments in foreign operations

01/01/2024 to 09/30/2024									
Investor	Hedged item				Instrument				Change in carrying amount of USD borrowing as a result of foreign currency movements since 1 January used to determine hedge ineffectiveness, recognised in OCI (Note 22(b))*
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount	
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	100.00%	639,970	USD	500,000	505,968	(10,203)
									(10,203)
01/01/2023 to 09/30/2023									
Investor	Hedged item				Instrument				Change in carrying amount of USD borrowing as a result of foreign currency movements since 1 January used to determine hedge ineffectiveness, recognised in OCI (Note 22(b))*
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount	
St. Marys Cement Inc.	CAD	VCNA US, Inc.	USD	46.87%	1,066,881	USD	500,000	499,764	(294)
									(294)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
 In thousands of U.S. dollars, unless otherwise stated, unaudited

8.4 Liquidity risk

The amounts below represent the contractual undiscounted and future estimated cash flows, which include interest to be incurred and, accordingly, do not reconcile directly with the amounts presented in the balance sheet.

	Less than one year	Between one and three years	Between three and five years	Over 5 years	Total
At September 30, 2024					
Borrowing	35,021	33,676	228,678	639,521	936,896
Related party	63,848	-	-	-	63,848
Lease liabilities	37,295	61,537	39,158	155,059	293,049
liabilities	196,578	-	-	-	196,578
Salaries and payroll charges	35,876	-	-	-	35,876
	<u>368,618</u>	<u>95,213</u>	<u>267,836</u>	<u>794,580</u>	<u>1,526,247</u>

	Less than one year	Between one and three years	Between three and five years	Over 5 years	Total
At December 31, 2023					
Borrowings	29,751	29,783	577,789	-	637,323
Lease liabilities	24,017	37,674	32,464	120,340	214,495
Accounts payable and accrued liabilities	277,722	-	-	-	277,722
Salaries and payroll charges	44,248	-	-	-	44,248
	<u>375,738</u>	<u>67,457</u>	<u>610,253</u>	<u>120,340</u>	<u>1,173,788</u>

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
In thousands of U.S. dollars, unless otherwise stated, unaudited

9 Financial instruments by category

(a) Analysis

The financial instruments of the Group are classified as follows:

				30-Sep-2024
	Note	Amortized cost	Fair value through other comprehensive income	Total
Current assets				
Cash and cash equivalents	10	87,006	-	87,006
Notes and capital related to SPE	13	79,666	-	79,666
Trade receivables	11	46,047	-	46,047
		<u>212,719</u>	<u>-</u>	<u>212,719</u>
Non-current assets				
Financial investments		-	45	45
		<u>-</u>	<u>45</u>	<u>45</u>
Current liabilities				
Borrowing	19(a)	14,459	-	14,459
Lease liabilities	18(b)	33,756	-	33,756
Accounts payable and accrued liabilities		196,578	-	196,578
Securitization	13	30,259	-	30,259
Salaries and benefits		35,876	-	35,876
		<u>310,928</u>	<u>-</u>	<u>310,928</u>
Non-current liabilities				
Borrowing	19(a)	632,200	-	632,200
Lease liabilities	18(b)	162,716	-	162,716
		<u>794,916</u>	<u>-</u>	<u>794,916</u>
				31-Dec-2023
	Note	Amortized cost	Fair value through other comprehensive income	Total
Current assets				
Cash and cash equivalents	10	94,534	-	94,534
Trade receivables	11	4,423	-	4,423
Notes and capital related to SPE	13	51,716	-	51,716
		<u>150,673</u>	<u>-</u>	<u>150,673</u>
Non-current assets				
Financial investments		-	80	80
Current liabilities				
Borrowing	19(a)	11,277	-	11,277
Lease liabilities	18(b)	18,693	-	18,693
Accounts payable and accrued liabilities		277,722	-	277,722
Securitization	13	19,693	-	19,693
Salaries and benefits		44,248	-	44,248
		<u>371,633</u>	<u>-</u>	<u>371,633</u>
Non-current liabilities				
Borrowing	19(a)	530,891	-	530,891
Lease liabilities	18(b)	152,835	-	152,835
		<u>683,726</u>	<u>-</u>	<u>683,726</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Fair value of financial instruments

	Note	Fair value measured based on		30-Sep-2024
		Price quoted in an active market	Valuation technique supported by observable prices	
			Level 1	Level 2
Assets				
Financial investments		45	-	45
		45	-	45
Liabilities				
Borrowing	19(a)	519,332	143,947	663,279
		519,332	143,947	663,279
	Note	Fair value measured based on		31-Dec-2023
		Price quoted in an active market	Valuation technique supported by observable prices	
			Level 1	Level 2
Assets				
Financial investments		80	-	80
		80	-	80
Liabilities				
Borrowing	19(a)	512,115	38,457	550,572
		512,115	38,457	550,572

10 Cash and cash equivalents

	30-Sep-2024	31-Dec-2023
\$CDN Cash at bank and on hand	35,176	33,709
\$US Equivalent	26,004	25,401
\$US Cash at bank and on hand	61,002	69,133
	87,006	94,534

11 Trade receivables

	Note	30-Sep-2024	31-Dec-2023
Trade accounts receivable		36,213	-
Non-trade accounts receivable		9,431	5,725
Due from related parties	14.1	1,807	457
		47,451	6,182
Provision for expected credit loss		(1,404)	(1,759)
		46,047	4,423

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
 In thousands of U.S. dollars, unless otherwise stated, unaudited

12 Inventory

	30-Sep-2024	31-Dec-2023
Raw materials	43,180	46,896
Fuels	53,055	51,451
Semi-finished product	104,646	101,444
Finished product	21,223	19,967
Spare parts / maintenance materials	59,061	52,810
Less: Provision for obsolescence	(16,883)	(16,272)
	<u>264,282</u>	<u>256,296</u>

13 Securitization

On March 22, 2024, the Group entered into an agreement with a financial institution for its revolving receivables securitization transaction, maturing in March 2027 and with a credit facility amounting to \$250 million to include all the Group's subsidiaries.

	30-Sep-2024	31-Dec-2023
Notes continuing to be recognized	73,626	43,091
Capital contribution in the SPE	6,040	8,625
Notes and capital related to the SPE	79,666	51,716
Security guarantee	(19,674)	(19,094)
Junior note guarantee losses	(10,585)	(599)
Junior subordinated note	(30,259)	(19,693)
Net carrying amount of the continuing involvement	<u>49,407</u>	<u>32,023</u>

14 Related party transactions

14.1 Analysis

	Parent company		Associates		Joint ventures		Other		Total	
	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023
Assets										
Current										
Trade receivables (i)	-	-	-	-	1,770	457	-	-	1,770	457
Other receivables (i)	-	-	37	-	-	-	79,666	51,716	79,703	51,716
	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>1,770</u>	<u>457</u>	<u>79,666</u>	<u>51,716</u>	<u>81,473</u>	<u>52,173</u>
Liabilities										
Current										
Trade payables (iii)	-	-	-	-	362	2,029	-	-	362	2,029
Other liabilities (iii)	63,317	-	12,810	14,051	-	-	30,259	19,693	106,386	33,744
Non-current										
Other liabilities (ii)	531	531	-	-	-	-	-	-	531	531
	<u>63,848</u>	<u>531</u>	<u>12,810</u>	<u>14,051</u>	<u>362</u>	<u>2,029</u>	<u>30,259</u>	<u>19,693</u>	<u>107,279</u>	<u>36,304</u>

	Parent company		Associates		Joint ventures		Other		Total	
	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Profit and loss balances										
Sales (i)	-	-	-	-	7,745	7,884	-	-	7,745	7,884
Purchases (iii)	-	-	17,774	22,421	21,874	25,845	-	-	39,648	48,266
Financial income (ii)	-	-	-	-	-	-	5,616	6,002	5,616	6,002
Financial expenses (ii)	1,913	-	-	-	-	-	24,257	17,917	26,170	17,917
	<u>1,913</u>	<u>-</u>	<u>17,774</u>	<u>22,421</u>	<u>29,619</u>	<u>33,729</u>	<u>29,873</u>	<u>23,919</u>	<u>79,179</u>	<u>80,069</u>

- (i) Sales operations of cement to joint venture, mainly Midway Group LLC.
- (ii) Mainly refers to the receivables securitization operation with the company VCNA SPE, LLC.
- (iii) Supplier and purchase balances mainly, Hutton Transport Limited, RMC Leasing LLC, Midway Group LLC, Votorantim Cimentos Trading and loan to shareholder VCI per Note 3.1.

Notes to condensed consolidated interim financial statements
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In thousands of U.S. dollars, unless otherwise stated, unaudited

14.2 Debts issued by the Company and its subsidiaries guaranteed by the Group

Instrument	Guarantor	Percentage guaranteed by the Company	30-Sep-2024	31-Dec-2023
Voto 2027	Votorantim Cimentos S.A.	100%	-	512,139
Voto 2034	Votorantim Cimentos S.A.	100%	514,215	-
Committed credit facility	Votorantim Cimentos S.A.	100%	140,000	33,909
			<u>654,215</u>	<u>546,048</u>

These amounts are presented gross of its acquisition costs that are amortized through the debt duration.

15 Investments accounted for using the equity method

(a) Analysis

The amounts recognized in the balance sheet and the statement of income are as follows:

	Net equity	Net income for the period	Percentage of voting and total capital (%)	Income from investments		Investment balance	
				30-Sep-2024	30-Sep-2023	30-Sep-2024	31-Dec-2023
Joint ventures							
Hutton Transport Limited (i)	17,604	4,837	25.00	1,209	1,105	6,580	5,899
Grundy-River Holdings, LLC	15,163	3,010	50.00	1,505	-	7,823	6,318
Midway Group, LLC	17,021	1,809	50.00	905	2,117	8,510	7,605
RMC Leasing, LLC	4,448	544	50.00	272	151	2,224	3,952
				<u>3,891</u>	<u>3,373</u>	<u>25,137</u>	<u>23,774</u>

(b) Changes

	30-Sep-2024	30-Sep-2023
Balance at the beginning of the period	23,774	16,480
Investment income	3,891	3,373
Approved dividends	(424)	(2,285)
Currency translation	(104)	(15)
Grundy-River acquisition	-	5,411
Capital increase (return of capital)	(2,000)	500
Balance at the end of the period	<u>25,137</u>	<u>23,464</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024

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16 Property, plant and equipment
(a) Analysis and changes

	Land	Land improvements & buildings	Equipment	Vehicles	Construction in progress	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Balance at the beginning of the period							
Cost	106,601	876,452	1,787,743	281,874	180,940	3,233,610	3,047,435
Accumulated depreciation	-	(491,010)	(1,197,848)	(184,303)	-	(1,873,161)	(1,760,553)
Net balance	106,601	385,442	589,895	97,571	180,940	1,360,449	1,286,882
Acquisitions	-	-	-	-	116,776	116,776	106,160
Business acquisition (i)	330	220	215	402	-	1,167	1,817
Disposals	(995)	(115)	(201)	(30)	-	(1,341)	(148)
Depreciation (ii)	-	(14,604)	(56,434)	(16,957)	-	(87,995)	(82,329)
Transfers	-	3,584	84,519	22,222	(112,279)	(1,954)	(3,328)
Translation differences	(2,199)	(4,457)	(5,599)	(835)	(2,419)	(15,509)	3,632
Balance at the end of the period	103,737	370,070	612,395	102,373	183,018	1,371,593	1,312,686
Cost	103,737	875,684	1,866,677	303,633	183,018	3,332,749	3,155,568
Accumulated depreciation	-	(505,614)	(1,254,282)	(201,260)	-	(1,961,156)	(1,842,882)
Net balance	103,737	370,070	612,395	102,373	183,018	1,371,593	1,312,686
Average annual depreciation rates %		18	15	7			

- (i) Refers to the acquisition of a ready-mix business by the Company's subsidiary VCNA United Materials LLC.
 (ii) Depreciation expense of \$85.5 million is included in 'cost of goods sold' and \$2.5 million is included in 'general and administrative expense'.

(b) Construction in progress

The construction in progress reflects investments and projects under construction by the Company and its subsidiaries that have not yet started operating at the end of the period, mainly represented by the acquisition or replacement of industrial machinery and equipment for plants and mines (sustainability), investments in industrial modernization projects and expansion of production capacity, as well as new technologies related to decarbonization goals (environment and safety).

	30-Sep-2024	31-Dec-2023
Sustaining	92,976	77,127
Modernization	39,963	54,826
Health & Safety	20,789	20,755
Expansion	29,290	28,232
	183,018	180,940

17 Intangible assets and goodwill

	Goodwill	Computer software	Exploration rights	ARO	Customer relationships and non-compete	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Balance at the beginning of the period							
Cost	295,077	35,442	368,135	44,538	121,377	864,569	975,296
Accumulated amortization	-	(32,266)	(86,458)	(26,604)	(84,647)	(229,975)	(307,773)
Net balance	295,077	3,176	281,677	17,934	36,730	634,594	667,523
Transfers	-	55	1,899	-	-	1,954	3,328
Business acquisition (i)	767	-	-	-	-	767	1,077
Adjustments	-	-	-	-	-	-	1,266
Amortization (ii)	-	(877)	(5,843)	(2,961)	(2,544)	(12,225)	(15,173)
Translation differences	-	(55)	599	(1,244)	-	(700)	(4,211)
Balance at the end of the period	295,844	2,299	278,332	13,729	34,186	624,390	653,810
Cost	295,844	35,442	370,633	43,294	121,377	866,590	977,116
Accumulated amortization	-	(33,143)	(92,301)	(29,565)	(87,191)	(242,200)	(323,306)
Net balance	295,844	2,299	278,332	13,729	34,186	624,390	653,810
Average annual amortization rates %		5	2	12	10		

- (i) Refers to the acquisition of a ready-mix business by the Company's subsidiary VCNA United Materials LLC.
 (ii) Amortization expense of \$11.9 million is included in 'cost of goods sold' and \$0.3 million is included in 'general and administrative expense'.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2024
In thousands of U.S. dollars, unless otherwise stated, unaudited

18 Right-of-use assets and Lease liabilities

(a) Analysis and changes of right of use assets

	Land & Buildings	Machinery & Equipment	Vehicles	Barges	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Balance at the beginning of the period						
Cost	103,513	26,707	33,264	164,091	327,575	320,117
Accumulated amortization	(18,993)	(22,618)	(28,627)	(94,068)	(164,306)	(130,803)
Net balance	84,520	4,089	4,637	70,023	163,269	189,314
Acquisitions	4,567	3,052	2,712	52,572	62,903	3,201
Disposals	(110)	(14)	(1,242)	-	(1,366)	(191)
Amortization (i)	(3,940)	(3,103)	(1,752)	(22,523)	(31,318)	(26,397)
Currency translation adjustment	(294)	(32)	(2)	(411)	(739)	34
Balance at the end of the period	84,743	3,992	4,353	99,661	192,749	165,961
Cost	107,676	29,713	34,732	216,252	388,373	323,161
Accumulated amortization	(22,933)	(25,721)	(30,379)	(116,591)	(195,624)	(157,200)
Net balance	84,743	3,992	4,353	99,661	192,749	165,961
Average annual amortization rates %	10	5	5	9		

(i) Amortization expense of \$31.3 million is included in 'cost of goods sold'.

(b) Analysis and changes of lease agreements

	Note	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Balance at the beginning of the period		171,528	204,048
Additions		62,903	3,201
Disposal		(1,366)	(191)
Payments		(36,479)	(28,010)
Interest expense	26	6,512	5,194
Interest paid		(6,509)	(5,194)
Exchange variations		(117)	(1,585)
Balance at the end of the period		196,472	177,463
Current		33,756	20,007
Non-current		162,716	157,456
		196,472	177,463

Short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss for the period, as presented in Note 25.

19 Borrowings

(a) Analysis

Type	Average annual cost	Current		Non-current		Total	
		30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023
CAD Revolver	CORRA + 0.95%	-	-	-	45,000	-	45,000
USD Equivalent		-	-	-	33,909	-	33,909
USD Revolver	SOFR + 0.95%	-	-	140,000	-	140,000	-
Total Revolver		-	-	140,000	33,909	140,000	33,909
Bond Payable	5.8%	13,888	10,726	492,080	496,503	505,968	507,229
Mortgages Payable	3.6%	571	551	120	479	691	1,030
		14,459	11,277	632,200	530,891	646,659	542,168

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

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(b) Maturity profile

The schedule of repayments of the Group's loans and financing are as follows:

	30-Sep-2024		31-Dec-2023	
	Amortized	Balance	Amortized	Balance
6 months or less	2.3%	14,574	2.2%	11,832
6-12 months (i)	0.0%	(115)	-0.1%	(555)
1-5 years	21.0%	135,507	97.9%	530,891
Over 5 years	76.7%	496,693	0.0%	-
	100.0%	646,659	100.0%	542,168

(i) Negative balances relate to amortization of financing fees.

(c) Changes

The changes for the period are as follows:

	Note	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Balance at the beginning of the period		542,168	507,630
New borrowings		837,098	121,808
Exchange rate variations		3,610	(703)
Interest expense	26	32,699	25,902
Interest paid		(24,124)	(32,845)
Premium paid on BOND repurchase	26	(6,050)	-
Amortization (addition) of financing costs		(3,814)	1,072
Principal paid		(734,928)	(55,764)
Balance at the end of the period		646,659	567,100

(d) Credit Line

Credit line	Company	Start date	Maturity	Credit limit	Amount outstanding	Amount available
Committed Credit Facility	VCI / VCEAA / St Marys	Jun/22	Jun/27	300,000	(140,000)	160,000
Global Revolving Credit Facility	VCSA / VCI / VCEAA / St Mary's	Sep/21	Sep/26	250,000	-	250,000
					(140,000)	410,000

These amounts consider the foreign exchange rate on the date of each withdrawal for Canadian dollar amounts.

Up to the authorization of these individual and consolidated condensed interim financial statements, the Company made repayments amounting to USD 25,000.

20 Income Tax

(a) Current income tax for the period

Income tax expense is recognized based on a full-blown quarterly provision method.

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 In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Deferred income tax

	30-Sep-2024	31-Dec-2023
Deferred tax assets		
Net operating losses	82,087	98,770
Investment Tax Credit (ITC)	37,065	36,544
Provisions	22,044	14,561
Ontario Minimum tax	8,026	7,900
Other	1,085	4,763
Total deferred tax assets	150,307	162,538
Deferred tax liabilities		
Accelerated tax depreciation	(242,686)	(239,813)
Total deferred tax liabilities	(242,686)	(239,813)
Net deferred tax assets (liabilities)	(92,379)	(77,275)
Deferred tax assets *	10,200	17,835
Deferred tax liabilities *	(102,579)	(95,110)

*These balances are presented net by legal entity.

(c) Pillar Two

On 20 June 2024, Bill C-69, which contains the Global Minimum Tax Act (“GMTA”) reflecting application of global minimum tax to in-scope companies for fiscal years commencing on or after December 31, 2023, received Royal Assent and became enacted. The Canadian rules include the introduction of a Qualified Domestic Minimum Top-Up Tax (“QDMTT”) to reach the required taxation level of 15% on Pillar Two qualifying profits earned by companies domiciled in Canada. Based on the financial data of the nine months ended September 30, 2024, no top-up tax nor any QDMTT impact in Canada is expected for 2024 and thus the Company has no related current tax expense associated with global minimum tax.

21 Provisions and other liabilities

	Asset retirement obligation	A/R securitization (Note 13)	Total
Balance - December 31, 2022	35,791	21,929	57,720
Charged to the income statement	1,827	-	1,827
Change in provisions/estimates	1,282	4,684	5,966
Settlements	(3,058)	-	(3,058)
Exchange differences	(1)	-	(1)
Balance - September 30, 2023	35,841	26,613	62,454
Balance - December 31, 2023	19,413	-	19,413
Charged to the income statement	1,032	-	1,032
Settlements	(3,195)	-	(3,195)
Exchange differences	(124)	-	(124)
Balance - September 30, 2024	17,126	-	17,126

22 Shareholders' equity**a) Share capital**

On June 27, 2024 the Company returned capital in the amount of \$62.3 million to VCI and \$12.7 million to McInnis Holding Limited Partnership, with no cancellation of shares (Note 3.1).

As at September 30, 2024 the Company's fully subscribed and paid-up capital was \$270,644 (December 31, 2023– \$353,331), consisting of 1,000,000 Class A Common Shares (December 31, 2023 – 1,000,000 Class A Common Shares).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to condensed consolidated interim financial statements
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b) Other comprehensive income

	Accumulated foreign currency translation adjustment	Hedge accounting of net investments	Other comprehensive income	Total accumulated other comprehensive income
Balance - December 31, 2022	295,824	(24,279)	(2,392)	269,153
Unrealized gain (loss) on net investment hedge, net of tax	-	(294)	-	(294)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(184)	(184)
Foreign currency translation	9,241	-	-	9,241
Balance - September 30, 2023	305,065	(24,573)	(2,576)	277,916
Balance - December 31, 2023	285,452	(12,599)	(2,507)	270,346
Unrealized gain (loss) on net investment hedge, net of tax	-	(10,203)	-	(10,203)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(34)	(34)
Foreign currency translation	11,823	-	-	11,823
Balance - September 30, 2024	297,275	(22,802)	(2,541)	271,932

23 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those already provided for.

24 Revenue

(a) Net revenue by product line

	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Cement	250,138	249,446	598,893	597,463
Ready-mix	184,247	189,864	426,684	497,725
Aggregates	36,370	34,826	82,409	81,091
Other	1,328	1,476	3,494	5,251
	472,083	475,612	1,111,480	1,181,530

(b) Breakdown

	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Gross sales				
Customers in Canada	144,105	151,974	364,205	366,550
Customers in USA	327,978	323,638	747,275	814,980
Revenue from contracts with customers	472,083	475,612	1,111,480	1,181,530

Notes to condensed consolidated interim financial statements
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25 Expense by nature

	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Employee benefit expense	86,878	93,628	246,505	258,607
Freight cost	42,719	56,074	118,729	134,264
Depreciation and amortization (Notes 16, 17 and 18)	44,084	39,865	131,538	123,900
Maintenance	28,000	22,949	104,726	104,931
Raw materials and consumables	42,052	43,243	122,304	137,859
Fuel costs	21,793	24,207	57,982	72,370
Electric power consumption	15,099	14,623	36,621	38,005
Services, miscellaneous	14,490	14,079	45,810	43,294
Taxes, fees and contributions	5,234	5,333	16,561	16,813
Purchase of finished products	3,770	6,292	6,539	14,840
Insurance	2,542	2,348	7,681	7,297
Rents and leases (Note 18)	3,227	2,443	7,585	6,629
Utilities	628	686	3,791	3,802
Other expenses	43,787	35,919	69,118	72,454
	<u>354,303</u>	<u>361,689</u>	<u>975,490</u>	<u>1,035,065</u>
Reconciliation				
Cost of goods sold	326,485	334,832	894,639	955,021
Selling	9,230	8,257	27,660	26,724
General and administrative	18,588	18,600	53,191	53,320
	<u>354,303</u>	<u>361,689</u>	<u>975,490</u>	<u>1,035,065</u>

26 Financing results, net

	Note	07/1/2024 to 09/30/2024	07/1/2023 to 09/30/2023	01/01/2024 to 09/30/2024	01/01/2023 to 09/30/2023
Financial income					
A/R securitization fees income		2,295	441	5,616	6,002
Cross guarantee revenue		-	-	147	292
Interest income		1,689	803	4,193	1,263
Financial instruments		435	-	634	-
Financial expense					
Interest expense, third party loans	19(c)	(10,505)	(8,573)	(32,699)	(25,902)
A/R securitization fees expenses		(6,339)	(5,613)	(24,257)	(17,917)
Cross guarantee expenses		-	-	(2,791)	(2,318)
Interest expense, leasing	18(b)	(2,291)	(1,682)	(6,512)	(5,194)
Premium paid on BOND repurchase		(3,435)	-	(6,050)	-
Bank charges and other financial results		(1,144)	(639)	(2,918)	(2,370)
Amortization of prepaid financing costs		(2,217)	(393)	(6,366)	(1,162)
Interest expense, related party loans		(1,008)	(1,581)	(1,040)	(1,581)
Net foreign exchange		870	(13,355)	1,398	(12,755)
		<u>(21,650)</u>	<u>(30,592)</u>	<u>(70,645)</u>	<u>(61,642)</u>



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