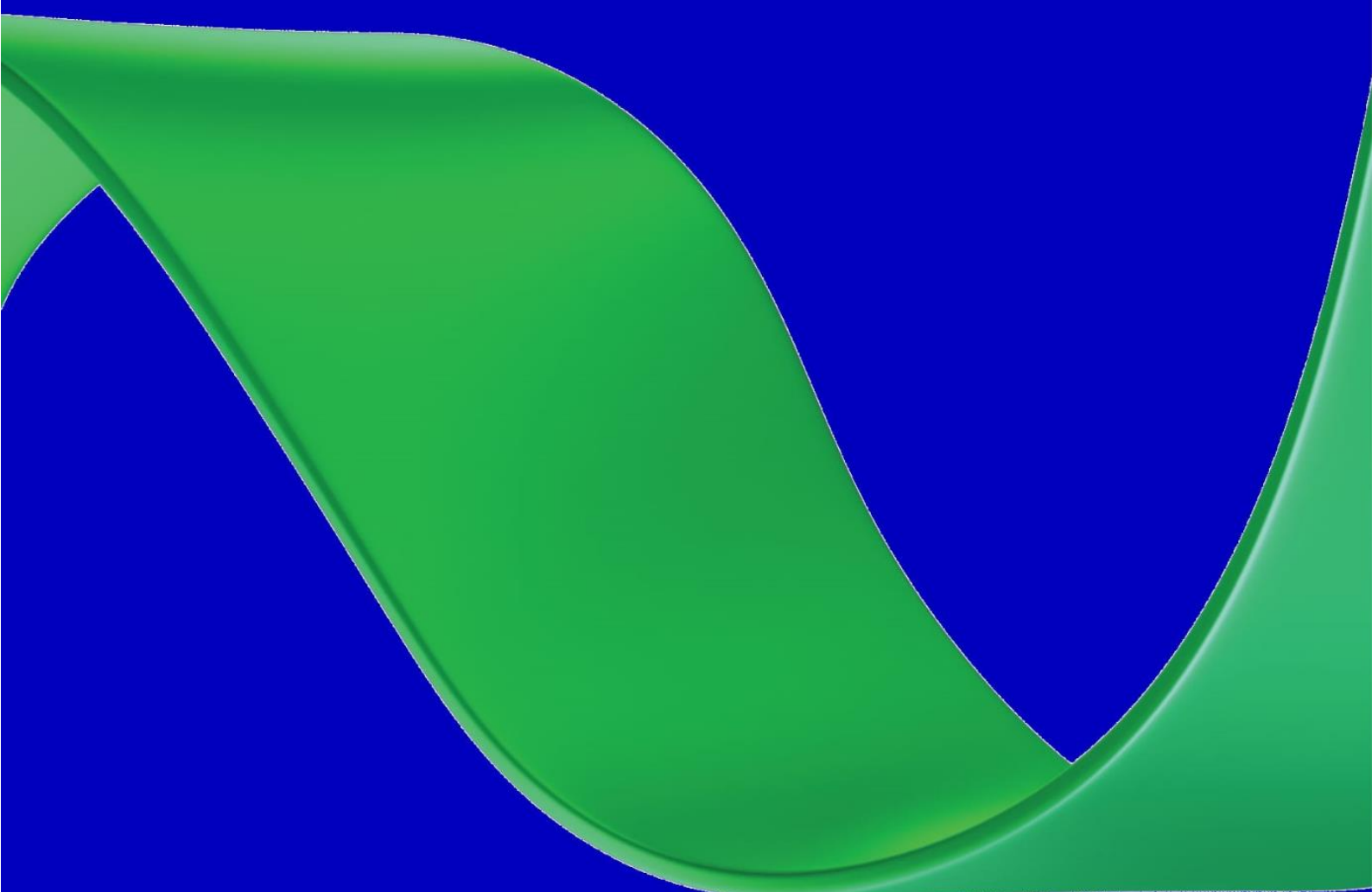


St. Marys Cement Inc. (Canada)

**Condensed Consolidated Interim Financial
Statements at September 30, 2023**
(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-2023	31-Dec-2022	Liabilities and shareholders' equity	Note	30-Sep-2023	31-Dec-2022
Current assets				Current liabilities			
Cash and cash equivalents	10	175,080	80,284	Borrowing	19(a)	4,181	11,762
Trade receivables	11(a)	22,355	2,442	Related parties	14.1	96,736	-
Inventories	12	207,747	205,895	Lease liabilities	18(b)	20,007	19,844
Prepaid expenses		4,410	14,862	Accounts payable and accrued liabilities		241,768	225,127
Other assets		3,441	3,337	Salaries and benefits		40,208	26,650
		413,033	306,820	Indirect taxes payable		16,923	8,841
				Income taxes payable		490	331
						420,313	292,555
Non-current assets				Non-current liabilities			
Notes and capital related to SPE	13	89,741	41,731	Borrowing	19(a)	562,919	495,868
Prepaid expenses		8,874	9,271	Lease liabilities	18(b)	157,456	184,204
Pension assets		23,101	23,804	Post-employment benefit obligations		38,074	36,637
Deferred income tax asset	20	5,117	18,554	Deferred income tax liability	20	78,894	63,011
Other assets		3,558	4,523	Provisions	21	62,454	57,720
Investments accounted for using the equity method	15(a)	23,464	16,480	Other liabilities		11,243	12,877
Property, plant and equipment	16(a)	1,312,686	1,286,882			911,040	850,317
Intangible assets and goodwill	17	653,810	667,523				
Right-of-use assets	18(a)	165,961	189,314	Total liabilities		1,331,353	1,142,872
		2,286,312	2,258,082				
				Shareholders' equity			
				Share capital	22	345,063	457,140
				Retained earnings		745,013	695,737
				Accumulated other comprehensive income	22(b)	277,916	269,153
				Total shareholders' equity		1,367,992	1,422,030
Total assets		2,699,345	2,564,902	Total liabilities and shareholders' equity		2,699,345	2,564,902

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	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Revenue from goods sold	24	475,612	475,418	1,181,530	1,092,961
Cost of goods sold	25	(334,832)	(358,369)	(955,021)	(933,399)
Gross profit		140,780	117,049	226,509	159,562
Operating expense					
Selling	25	(8,257)	(8,502)	(26,724)	(25,147)
General and administrative	25	(18,600)	(14,006)	(53,320)	(44,486)
Other operating income (expense)		373	(1,940)	5,805	2,579
		(26,484)	(24,448)	(74,239)	(67,054)
Operating income before equity results and net financing expense		114,296	92,601	152,270	92,508
Investment results from equity share in joint ventures	15(a)	2,281	1,765	3,373	2,072
Financing results, net	26	(30,592)	(28,196)	(61,642)	(55,143)
Income before income tax expense		85,985	66,170	94,001	39,437
Income tax (expense) recovery		(28,150)	1,693	(39,940)	(583)
Net Income for the period		57,835	67,863	54,061	38,854
Other comprehensive income:					
Items that may be subsequent reclassified to profit or loss					
Accumulated foreign currency translation adjustment	22(b)	19,922	64,661	9,241	69,482
Changes in fair value of financial assets at fair value through other comprehensive income	22(b)	(92)	(69)	(184)	(350)
Unrealized gain (loss) on net investment hedge, net of tax	8.3	(12,514)	(33,113)	(294)	(40,543)
Other comprehensive income for the period		7,316	31,479	8,763	28,589
Total comprehensive income for the period		65,151	99,342	62,824	67,443

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

St. Marys Cement Inc. (Canada)

Condensed consolidated interim statements of changes in shareholders' 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, 2021		644,318	656,528	245,982	1,546,828
Net income for the period		-	38,854	-	38,854
Other comprehensive income		-	-	28,589	28,589
Comprehensive income for the period		-	38,854	28,589	67,443
Foreign currency translation		(64,546)	(32,653)	-	(97,199)
Capital reduction	3.1	(131,154)	-	-	(131,154)
Balance - September 30, 2022		448,618	662,729	274,571	1,385,918
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	3.1	(114,643)	-	-	(114,643)
Balance - September 30, 2023		345,063	745,013	277,916	1,367,992

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	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Cash flows from operating activities			
Income before income tax		94,001	39,437
Adjustments of items that do not represent changes in cash and cash equivalents:			
Depreciation and amortization	25	123,900	124,350
Investment results from equity share in joint ventures	15(a)	(3,373)	(2,072)
Gain on sale of property, plant and equipment		(1,291)	(2,048)
Allowance for expected credit loss	11(b)	232	41
Financing results, net	26	61,642	55,143
		275,111	214,851
Decrease (increase) in current assets			
Trade and other receivables		(66,843)	(72,640)
Inventories		(1,858)	7,233
Related parties		(1,656)	(1,371)
Other current assets		10,349	7,079
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities		14,867	(4,967)
Salaries and social charges		15,699	(5,802)
Related parties		1,254	(102)
Taxes payable		8,083	2,542
Change in non-current assets and liabilities			
Post-employment benefit obligations		2,141	(1,335)
Other		(14,916)	3,802
Cash from operating activities before interest and income tax		242,231	149,290
Interest paid debt	19(c)	(32,845)	(30,850)
Interest paid on lease liabilities	18(b)	(5,194)	(5,670)
Income tax paid		(10,788)	47,751
Total cash from operating activities		193,404	160,521
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment and intangible assets		1,440	7,745
Dividends received		2,285	3,739
Acquisition of associates and joint ventures	15(b)	(5,411)	-
Acquisition of investments		(2,445)	-
Proceeds from disposal of investments		-	4,400
Capital contribution JV	15(b)	(500)	-
Acquisition of property, plant and equipment	16(a)	(102,832)	(70,383)
Acquisition of intangible assets	17	(3,328)	(3,261)
Total cash used from investing activities		(110,791)	(57,760)
Cash flows from financing activities			
Proceeds from borrowings	19(c)	121,808	375,478
Repayment of borrowings	19(c)	(55,764)	(363,059)
Payment of lease liabilities	18(b)	(28,010)	(30,340)
Return of capital	3.1	(19,473)	(131,154)
Financial costs, except interest		(6,169)	(1,193)
Total cash provided (used) by financing activities		12,392	(150,268)
Increase (decrease) in cash and cash equivalents		95,005	(47,507)
Effect of foreign exchange on cash		(209)	(1,767)
Cash and cash equivalents at the beginning of the period		80,284	133,327
Cash and cash equivalents at the end of the period		175,080	84,053
Return of capital	3.1	(95,170)	-
Related parties	3.1	95,170	-

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, 2023
 In thousands of U.S. dollars, unless otherwise stated, unaudited

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, 2023 were approved by the Management on November 3rd, 2023.

3 Main events which occurred in the interim period

3.1 Capital reduction

On June 29, 2023 the Company approved a capital return in the amount of \$114.7 million to its shareholders (\$95.2 million to VCI and \$19.5 million to McInnis Holding), 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 \$19.5 million owned to McInnis Holding. It was also decided to convert the \$95.2 million due to VCI into a shareholder loan, maturing on December 29, 2023 and bearing an interest rate of SOFR + 1,20%.

4 Supplementary information

4.1 Adjusted EBITDA

The following table reconciles the quarterly, accumulated and last twelve months adjusted EBITDA from the profit for the period:

	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022	Last twelve months ended 30-Sep-2023	Last twelve months ended 31-Dec-2022
Revenue from goods sold	475,612	475,418	1,181,530	1,092,961	1,534,803	1,446,234
Net income for the period	57,835	67,863	54,061	38,854	71,589	56,382
Income before income tax expense	85,985	66,170	94,001	39,437	122,887	68,323
Depreciation and amortization	39,865	42,175	123,900	124,350	170,713	171,163
Financial results, net	30,592	28,196	61,642	55,143	73,157	66,658
Investment results from equity share in joint ventures	(2,281)	(1,765)	(3,373)	(2,072)	(4,327)	(3,026)
Dividends received	-	1,143	2,285	3,739	1,427	2,881
Adjusted EBITDA items						
COVID-19 costs	-	1	-	394	6	400
Adjusted EBITDA	154,161	135,920	278,455	220,991	363,863	306,399

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

4.2 Capital management

The ratios at September 30, 2023 and December 31, 2022 were as follows:

	30-Sep-2023	31-Dec-2022
Borrowing	567,100	507,630
Lease liabilities	177,463	204,048
Cash and cash equivalents	(175,080)	(80,284)
Net debt - (A)	569,483	631,394
Adjusted EBITDA last 12 months - (B)	363,863	306,399
Financial leverage ratio - (A/B)	1.57	2.06

5 Changes in accounting policies and disclosures

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

Standards and amendments became effective for annual periods commencing on or after January 1, 2023. The adoption of these new standards did not have a significant impact on the Company's financial statements.

On May 2023, the International Accounting Standards Board ("IASB") issued an amendment to IAS 12 – Income Taxes, providing a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules published by the OECD (Organisation for Economic Co-operation and Development), which implements a minimum tax regime for multinationals.

This amendment has an immediate effect, however such disclosures are not required in interim periods that end on or before December 31, 2023. Furthermore, the Canadian domestic legislation has not been substantively enacted as yet.

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.

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 International Accounting Standard IAS 34 – Interim Financial Reporting, as issued by the IASB, 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, 2022, approved by the Board of Directors of the Company on February 22, 2023.

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, 2023

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

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, 2022.

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

6.2 Consolidation

New investments accounted for using the equity method included in these condensed consolidated interim financial statements in the period as a result of acquisitions (Note 15(a)):

	Percentage of total and voting capital		Place of operation	Main activity
	30-Sep-2023	31-Dec-2022		
Grundy River Holdings LLC	50.00	-	USA	Ready-mix concrete
Grundy County Redi-Mix LLC	50.00	-	USA	Ready-mix concrete
River Redi-Mix LLC	50.00	-	USA	Ready-mix concrete

7 Critical accounting estimates and assumptions

In the period ended September 30, 2023, 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 C3 to the annual audited consolidated financial statements as at December 31, 2022.

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. Due to the seasonal nature of the business, the financial results for the first nine months ended September 30, 2023 are not necessarily indicative of the results to be expected for the full year.

The Company also have access to a Credit Line (Note 19(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 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.

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2023
 In thousands of U.S. dollars, unless otherwise stated, unaudited

8.3 Hedging of net investments in foreign operations

The Company evaluates quarterly the effectiveness of their net investment in foreign operations hedge accounting transactions, as required by IFRS 9 – Financial Instruments.

01/01/2023 to 09/30/2023									
Investor	Hedged item				Instrument				
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount (Note 19(a))	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))*
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	46.87%	1,066,881	USD	500,000	499,764	(294)
									(294)

01/01/2022 to 09/30/2022									
Investor	Hedged item				Instrument				
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount (Note 19(a))	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))*
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	44.96%	1,112,057	USD	500,000	498,211	(40,543)
									(40,543)

The designated hedge transaction was effective, and therefore no translation gain or loss was recognized in the current consolidated statement of income and comprehensive income.

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.

	Between one				Total
	Less than one year	and three years	Between three and five years	Over 5 years	
At September 30, 2023					
Borrowing	31,620	31,791	612,311	-	675,722
Lease liabilities	23,675	38,774	30,960	127,316	220,725
Trade payables	241,768	-	-	-	241,768
Salaries and payroll charges	40,208	-	-	-	40,208
	<u>337,271</u>	<u>70,565</u>	<u>643,271</u>	<u>127,316</u>	<u>1,178,423</u>

	Between one				Total
	Less than one year	and three years	Between three and five years	Over 5 years	
At December 31, 2022					
Borrowings	28,010	27,292	561,559	-	616,861
Lease liabilities	21,767	23,789	16,280	149,391	211,227
Trade payables	225,127	-	-	-	225,127
Salaries and payroll charges	26,650	-	-	-	26,650
	<u>301,554</u>	<u>51,081</u>	<u>577,839</u>	<u>149,391</u>	<u>1,079,865</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, 2023
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-2023
	Note	Amortized cost	Fair value through other comprehensive income	Fair value through profit & loss	Total
Current assets					
Cash and cash equivalents	10	175,080	-	-	175,080
Trade receivables	11(a)	22,355	-	-	22,355
		<u>197,435</u>	<u>-</u>	<u>-</u>	<u>197,435</u>
Non-current assets					
Notes and capital related to SPE	13	89,741	-	-	89,741
Financial investments			7	-	7
		<u>89,741</u>	<u>7</u>	<u>-</u>	<u>89,748</u>
Current liabilities					
Borrowing	19(a)	4,181	-	-	4,181
Lease liabilities	18(b)	20,007	-	-	20,007
Accounts payable and accrued liabilities		241,768	-	-	241,768
Salaries and benefits		40,208	-	-	40,208
		<u>306,164</u>	<u>-</u>	<u>-</u>	<u>306,164</u>
Non-current liabilities					
Borrowing	19(a)	562,919	-	-	562,919
Lease liabilities	18(b)	157,456	-	-	157,456
		<u>720,375</u>	<u>-</u>	<u>-</u>	<u>720,375</u>
					31-Dec-2022
	Note	Amortized cost	Fair value through other comprehensive income	Fair value through profit & loss	Total
Current assets					
Cash and cash equivalents	10	80,284	-	-	80,284
Trade receivables	11(a)	2,442	-	-	2,442
		<u>82,726</u>	<u>-</u>	<u>-</u>	<u>82,726</u>
Non-current assets					
Notes and capital related to SPE	13	41,731	-	-	41,731
Financial investments		-	190	-	190
		<u>41,731</u>	<u>190</u>	<u>-</u>	<u>41,921</u>
Current liabilities					
Borrowing	19(a)	11,762	-	-	11,762
Lease liabilities	18(b)	19,844	-	-	19,844
Accounts payable and accrued liabilities		225,127	-	-	225,127
Salaries and benefits		26,650	-	-	26,650
		<u>283,383</u>	<u>-</u>	<u>-</u>	<u>283,383</u>
Non-current liabilities					
Borrowing	19(a)	495,868	-	-	495,868
Lease liabilities	18(b)	184,204	-	-	184,204
		<u>680,072</u>	<u>-</u>	<u>-</u>	<u>680,072</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, 2023
In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Fair value of financial instruments

	Note	Fair value measured based on		30-Sep-2023	
		Price quoted in an active market	Valuation technique supported by observable prices		Fair value
			Level 1	Level 2	
Assets					
Financial investments		7	-	7	
		7	-	7	
Liabilities					
Borrowing	19(a)	486,284	70,981	557,265	
		486,284	70,981	557,265	

	Note	Fair value measured based on		31-Dec-2022	
		Price quoted in an active market	Valuation technique supported by observable prices		Fair value
			Level 1	Level 2	
Assets					
Financial investments		190	-	190	
		190	-	190	
Liabilities					
Borrowing	19(a)	507,214	1,957	509,171	
		507,214	1,957	509,171	

10 Cash and cash equivalents

	30-Sep-2023	31-Dec-2022
\$CDN Cash at bank and on hand	43,344	27,608
\$US Equivalent	31,897	20,328
\$US Cash at bank and on hand	143,183	59,956
	175,080	80,284

Notes to condensed consolidated interim financial statements
For the period ended September 30, 2023
 In thousands of U.S. dollars, unless otherwise stated, unaudited

11 Trade receivables

(a) Analysis

	Note	30-Sep-2023	31-Dec-2022
Trade accounts receivable		17,152	84
Non-trade accounts receivable		3,989	3,227
Due from related parties	14.1	2,963	1,307
		24,104	4,618
Provision for expected credit loss		(1,749)	(2,176)
		22,355	2,442

(b) Changes in allowance for doubtful accounts

Movements on the group provision for expected credit loss of trade receivables are as follows:

	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period	2,176	2,645
Provision and reversals for receivables expected credit loss	232	41
Transfer of Superior balance to securitization	(659)	-
Currency translation adjustments	-	(70)
Balance at the end of the period	1,749	2,616

12 Inventory

	30-Sep-2023	31-Dec-2022
Raw materials	35,712	36,247
Fuels	41,847	44,442
Semi-finished product	72,336	71,183
Finished product	21,584	20,316
Spare parts / maintenance materials	54,663	50,927
Less: Provision for obsolescence	(18,395)	(17,220)
	207,747	205,895

13 Securitization

On March 31, 2016, the Company and its subsidiaries entered into a revolving receivables securitization transaction with financial institutions for the sale of trade receivables to a special purpose entity ("SPE") which was established specifically for this purpose and which is not controlled by the Company or any of its subsidiaries. In March 2019, the transaction was renewed until March 2022, and on September 2021, the Company extended its maturity from March 2022 to March 2024 and increased the facility amount to \$225M.

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	Note	30-Sep-2023	31-Dec-2022
Notes continuing to be recognized		78,488	33,886
Capital contribution in the SPE		11,253	7,845
Notes and capital related to the SPE		89,741	41,731
Security guarantee		(24,019)	(17,516)
Junior note guarantee losses		(2,594)	(4,413)
Junior subordinated note	21	(26,613)	(21,929)
Net carrying amount of the continuing involvement		63,128	19,802

14 Related party transactions

14.1 Analysis

	Note	Sales		Purchases		Financial expense	
		30-Sep-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022
Sister companies, associates or joint ventures							
VCNA SPE, LLC	26	-	-	-	-	11,915	9,042
RMC Leasing, LLC		-	-	1,153	1,159	-	-
Hutton Transport Limited		-	-	24,692	27,340	-	-
Midway Group, LLC		7,884	7,325	-	-	-	-
		7,884	7,325	25,845	28,499	11,915	9,042

	Note	Receivables		Liabilities	
		30-Sep-2023	31-Dec-2022	30-Sep-2023	31-Dec-2022
Parent company					
Votorantim Cimentos International S.A.	3.1	-	-	96,736	-
Sister companies, associates or joint ventures					
Votorantim Cimentos Trading		-	-	4,184	-
Votorantim Cimentos EAA Inversiones, S.L.		38	38	-	-
VCNA SPE, LLC	13	89,741	41,731	26,612	21,929
Hutton Transport Limited		-	29	-	-
Midway Group, LLC		2,925	1,240	882	1,054
		92,704	43,038	128,414	22,983
Current		2,963	1,307	101,802	1,054
Non-current		89,741	41,731	26,612	21,929
		92,704	43,038	128,414	22,983

14.2 Debts issued by related parties guaranteed by the Company

Instrument	Debtor	Guarantor	Percentage guaranteed by the Company	30-Sep-2023		31-Dec-2022	
				Debt	Amount guaranteed	Debt	Amount guaranteed
4131 Loan to March, 2025*	Votorantim Cimentos S.A.	St. Marys Cement Inc. (Canada)	100%	50,023	50,023	50,023	50,023
				50,023	50,023	50,023	50,023

*These balances are not recorded in the Company's balance sheet.

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

Instrument	Guarantor	Percentage guaranteed by the Company		
			30-Sep-2023	31-Dec-2022
Voto 2027	Votorantim Cimentos S.A.	100%	504,951	512,139
Committed credit facility	Votorantim Cimentos S.A.	100%	66,440	-
			571,391	512,139

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

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

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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:

	Information as at September 30, 2023			Income from investments		Investment balance	
	Net equity	Net income (loss) for the period	Percentage of voting and total capital (%)	30-Sep-2023	30-Sep-2022	30-Sep-2023	31-Dec-2022
Joint ventures							
Hutton Transport Limited (i)	15,401	4,419	25.00	1,105	973	6,029	5,225
Grundy-River Holdings, LLC (Note 3.1)(ii)	10,974	-	50.00	-	-	5,911	-
Midway Group, LLC	15,305	4,233	50.00	2,117	997	7,653	7,535
RMC Leasing, LLC	7,742	302	50.00	151	102	3,871	3,720
				<u>3,373</u>	<u>2,072</u>	<u>23,464</u>	<u>16,480</u>

- (i) The investment in Hutton Transport Limited considers, as at September 30, 2023, the amount of \$2,179 (2022 - \$2,179) relating to the goodwill recognized on the acquisition of the investment.
- (ii) On June 2023, the Company entered an agreement to purchase 50% interest in Grundy, a ready-mix concrete company located in Illinois, for \$5,411 fully paid in cash. The investment was initially recognised at cost and will subsequently be measured using the equity method. The investment considers, as at September, 30, the amount of \$424 relating to the goodwill recognized on the acquisition of the investment.

(b) Changes

	30-Sep-2023	30-Sep-2022
Balance at the beginning of the period	16,480	17,680
Investment income	3,373	2,072
Approved dividends	(2,285)	(3,739)
Currency translation	(15)	(436)
Grundy-River acquisition	5,411	-
Capital increase in Grundy	500	-
Balance at the end of the period	<u>23,464</u>	<u>15,577</u>

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16 Property, plant and equipment

(a) Analysis and changes

	Land	Land improvements & buildings	Equipment	Vehicles	Construction in progress	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period							
Cost	103,009	860,826	1,704,345	254,186	125,069	3,047,435	2,977,071
Accumulated depreciation	-	(471,472)	(1,127,078)	(162,003)	-	(1,760,553)	(1,649,518)
Net balance	103,009	389,354	577,267	92,183	125,069	1,286,882	1,327,553
Acquisitions	-	-	-	-	106,160	106,160	70,383
Business acquisition (i)	249	223	610	735	-	1,817	-
Disposals	(134)	-	(3)	(11)	-	(148)	(3,827)
Depreciation (ii)	-	(14,567)	(50,984)	(16,778)	-	(82,329)	(79,433)
Transfers	-	747	27,991	13,127	(45,193)	(3,328)	-
Translation differences	4,300	411	(2,527)	2,907	(1,459)	3,632	(65,219)
Balance at the end of the period	107,424	376,168	552,354	92,163	184,577	1,312,686	1,249,457
Cost	107,424	862,207	1,730,416	270,944	184,577	3,155,568	2,978,408
Accumulated depreciation	-	(486,039)	(1,178,062)	(178,781)	-	(1,842,882)	(1,728,951)
Net balance	107,424	376,168	552,354	92,163	184,577	1,312,686	1,249,457
Average annual depreciation rates %		18	15	7			

- (i) Refers to the acquisition of a ready-mix business by the Company's subsidiary Superior Materials Holdings, LLC.
- (ii) Depreciation expense of \$78.7M is included in 'cost of goods sold' and \$3.6M is included in 'general and administrative expenses'.

(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-2023	31-Dec-2022
Sustaining	74,432	54,453
Modernization	61,336	43,018
Health & Safety	26,211	16,508
Expansion	22,598	11,090
	184,577	125,069

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17 Intangible assets and goodwill

	Goodwill	Computer software	Exploration rights	ARO	Customer relationships and non-compete	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period							
Cost	294,518	34,752	471,401	54,131	120,494	975,296	982,007
Accumulated depreciation	-	(30,235)	(177,444)	(21,047)	(79,047)	(307,773)	(288,756)
Net balance	294,518	4,517	293,957	33,084	41,447	667,523	693,251
Acquisitions	-	311	3,017	-	-	3,328	3,261
Business acquisition (ii)	559	-	-	-	518	1,077	-
Disposals	-	-	-	-	-	-	(2,318)
Adjustments	-	-	-	1,266	-	1,266	304
Amortization (i)	-	(1,676)	(6,317)	(2,904)	(4,276)	(15,173)	(14,383)
Translation differences	-	129	(3,548)	(1,269)	477	(4,211)	(11,612)
Balance at the end of the period	295,077	3,281	287,109	30,177	38,166	653,810	668,503
Cost	295,077	35,192	470,870	54,128	121,849	977,116	971,642
Accumulated depreciation	-	(31,911)	(183,761)	(23,951)	(83,683)	(323,306)	(303,139)
Net balance	295,077	3,281	287,109	30,177	38,166	653,810	668,503
Average annual amortization rates %		5	2	12	10		

- (i) Refers to the acquisition of a ready-mix business by the Company's subsidiary Superior Materials Holdings, LLC.
- (ii) Amortization expense of \$14.5M is included in 'cost of goods sold' and \$0.7M is included in 'general and administrative expenses'.

18 Right-of-use assets and Lease liabilities

(a) Analysis and changes of right of use assets

	Land & Buildings	Machinery & Equipment	Vehicles	Barges	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period						
Cost	101,635	24,684	33,151	160,647	320,117	300,089
Accumulated depreciation	(14,221)	(17,675)	(26,321)	(72,586)	(130,803)	(89,692)
Net balance	87,414	7,009	6,830	88,061	189,314	210,397
Acquisitions	346	2,819	36	-	3,201	20,330
Disposals	-	(191)	-	-	(191)	-
Adjustments and transfers	-	-	-	-	-	-
Amortization (i)	(3,576)	(3,915)	(1,812)	(17,094)	(26,397)	(30,534)
Currency translation adjustment	808	(1,022)	159	89	34	(8,631)
Balance at the end of the period	84,992	4,700	5,213	71,056	165,961	191,562
Cost	102,789	26,290	33,346	160,736	323,161	311,788
Accumulated depreciation	(17,797)	(21,590)	(28,133)	(89,680)	(157,200)	(120,226)
Net balance	84,992	4,700	5,213	71,056	165,961	191,562
Average annual amortization rates %	10	5	5	9		

- (i) Amortization expense of \$26.4M is included in 'cost of goods sold'.

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(b) Analysis and changes of lease agreements

	Note	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period		204,048	212,543
Additions		3,201	20,330
Disposal		(191)	-
Payments		(28,010)	(30,340)
Interest expense	26	5,194	5,670
Interest paid		(5,194)	(5,670)
Exchange variations		(1,585)	5,160
Balance at the end of the period		177,463	207,693
Current		20,007	34,257
Non-current		157,456	173,436
		177,463	207,693

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-2023	31-Dec-2022	30-Sep-2023	31-Dec-2022	30-Sep-2023	31-Dec-2022
CAD Revolver	CDOR + 1.20%	-	-	90,000	-	90,000	-
USD Equivalent		-	-	66,230	-	66,230	-
USD Revolver	SOFR + 1.20%	-	-	-	-	-	-
Total Revolver		-	-	66,230	-	66,230	-
Bond Payable	5.8%	3,653	10,698	496,111	494,971	499,764	505,669
Mortgages Payable	3.6%	528	1,064	578	897	1,106	1,961
		4,181	11,762	562,919	495,868	567,100	507,630

(b) Maturity profile

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

	30-Sep-2023		31-Dec-2022	
	Amortized	Balance	Amortized	Balance
6 months or less	0.8%	4,733	2.4%	12,043
6-12 months (i)	-0.1%	(553)	-0.1%	(281)
1-5 years	99.3%	562,920	97.7%	495,868
	100.0%	567,100	100.0%	507,630

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

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(c) Changes

The changes for the period are as follows:

	Note	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Balance at the beginning of the period		507,630	554,605
New borrowings		121,808	375,478
Exchange rate variations		(703)	(2,537)
Interest expense	26	25,902	23,850
Interest paid		(32,845)	(30,850)
Amortization of financing costs		1,072	1,009
Principal paid		(55,764)	(363,059)
Balance at the end of the period		567,100	558,496

(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	(66,426)	233,574
Global Revolving Credit Facility	VCSA / VCI / VCEAA / St Mary's	Sep/21	Sep/26	250,000	-	250,000
					(66,426)	483,574

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

Up to the authorization date of these condensed consolidated financial statements, the Company repaid CAD 25M (\$18.4M) of the outstanding balance presented above.

20 Income Tax

(a) Current income tax for the period

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

(b) Deferred income tax

	30-Sep-2023	31-Dec-2022
Deferred tax assets		
Net operating losses	99,973	131,138
Investment Tax Credit (ITC)	16,141	15,846
Provisions	12,943	10,681
Ontario Minimum tax	6,899	6,881
Retirement benefit obligation	796	606
Other	4,568	4,538
Total deferred tax assets	141,320	169,690
Deferred tax liabilities		
Accelerated tax depreciation	(215,097)	(214,147)
Total deferred tax liabilities	(215,097)	(214,147)
Net deferred tax assets (liabilities)	(73,777)	(44,457)
Deferred tax assets *	5,117	18,554
Deferred tax liabilities *	(78,894)	(63,011)

*These balances are presented net by legal entity.

21 Provisions and other liabilities

	Asset retirement obligation	A/R securitization (Note 13)	Total
Balance - December 31, 2021	37,844	16,820	54,664
Charged to the income statement	534	-	534
Change in provisions/estimates	1,235	7,702	8,937
Settlements	(3,664)	-	(3,664)
Exchange differences	(1,000)	-	(1,000)
Balance - September 30, 2022	34,949	24,522	59,471
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

22 Shareholders' equity

a) Share capital

On June 29, 2023 the Company returned capital in the amount of \$95.2 million to VCI and \$19.5 million to McInnis Holding Limited Partnership, with no cancellation of shares (Note 3.1).

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

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As at September 30, 2023 the Company's fully subscribed and paid-up capital was \$345,063 (December 31, 2022– \$457,140), consisting of 1,000,000 Class A Common Shares (December 31, 2022 – 1,000,000 Class A Common Shares).

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, 2021	240,448	7,536	(2,002)	245,982
Unrealized gain (loss) on net investment hedge, net of tax	-	(42,741)	-	(42,741)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(363)	(363)
Deferred taxes	-	2,198	13	2,211
Foreign currency translation	69,482	-	-	69,482
Balance - September 30, 2022	309,930	(33,007)	(2,352)	274,571
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

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

	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Cement	249,446	241,939	597,463	566,036
Ready-mix	189,864	187,768	497,725	425,242
Aggregates	34,826	36,580	81,091	81,218
Other	1,476	9,131	5,251	20,465
	475,612	475,418	1,181,530	1,092,961

(b) Breakdown

	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Gross sales				
Customers in Canada	151,974	138,423	366,550	355,941
Customers in USA	323,638	336,995	814,980	737,020
Revenue from contracts with customers	475,612	475,418	1,181,530	1,092,961

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25 Expense by nature

	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Employee benefit expense	93,628	81,307	258,607	228,045
Freight cost	56,074	67,419	134,264	152,455
Depreciation and amortization (Notes 15, 16 and 17)	39,865	42,175	123,900	124,350
Maintenance	22,949	19,824	104,931	89,873
Raw materials and consumables	43,243	65,905	137,859	163,797
Fuel costs	24,207	28,186	72,370	59,954
Electric power consumption	14,623	19,875	38,005	45,288
Services, miscellaneous	14,079	14,762	43,294	39,368
Taxes, fees and contributions	5,333	5,193	16,813	15,658
Insurance	2,348	2,516	7,297	7,702
Rents and leases (Note 18)	2,443	1,756	6,629	5,241
Utilities	686	1,297	3,802	5,388
Provision for loss	2,986	1,154	4,579	2,433
Other expenses	39,225	29,508	82,715	63,480
	<u>361,689</u>	<u>380,877</u>	<u>1,035,065</u>	<u>1,003,032</u>
Reconciliation				
Cost of sales	334,832	358,369	955,021	933,399
Selling	8,257	8,502	26,724	25,147
General and administrative	18,600	14,006	53,320	44,486
	<u>361,689</u>	<u>380,877</u>	<u>1,035,065</u>	<u>1,003,032</u>

26 Financing results, net

	Note	07/1/2023 to 09/30/2023	07/1/2022 to 09/30/2022	01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
Financial income					
A/R securitization fees income		441	1,935	6,002	4,805
Cross guarantee revenue		-	-	292	916
Interest income		803	314	1,263	354
Financial expense					
Interest expense, third party loans	19(c)	(8,573)	(8,568)	(25,902)	(23,850)
A/R securitization fees expenses		(5,613)	(4,449)	(17,917)	(13,847)
Cross guarantee expenses		-	-	(2,318)	(2,317)
Interest expense, leasing	18(b)	(1,682)	(2,006)	(5,194)	(5,670)
Bank charges and other financial results		(639)	(943)	(2,370)	(2,817)
Amortization of prepaid financing costs		(393)	(391)	(1,162)	(1,140)
Interest expense, related party loans		(1,581)	-	(1,581)	-
Net foreign exchange		(13,355)	(14,088)	(12,755)	(11,577)
		<u>(30,592)</u>	<u>(28,196)</u>	<u>(61,642)</u>	<u>(55,143)</u>



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