

St. Marys Cement Inc. (Canada)

**Condensed Consolidated Interim Financial
Statements at June 30, 2025**
(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-Jun-2025	31-Dec-2024	Liabilities and shareholders' equity	Note	30-Jun-2025	31-Dec-2024
Current assets				Current liabilities			
Cash and cash equivalents	10	57,120	104,962	Borrowing	19(a)	94,179	6,948
Trade and other receivables	11	29,169	4,336	Lease liabilities	18(b)	38,886	27,122
Inventories	12	289,554	288,804	Accounts payable and accrued liabilities		210,072	309,786
Prepaid expenses		17,723	17,241	Securitization	13	25,222	25,432
Notes and capital related to SPE	13	75,003	52,515	Salaries and benefits		34,188	34,514
Income taxes recoverable		5,341	-	Indirect taxes payable		-	6,292
Other assets		6,415	5,086	Income taxes payable		-	7,857
		480,325	472,944			402,547	417,951
Non-current assets				Non-current liabilities			
Prepaid expenses		7,595	8,656	Borrowing	19(a)	719,639	582,310
Pension assets		16,360	15,085	Lease liabilities	18(b)	189,027	154,295
Deferred income tax asset	20	13,146	8,219	Post-employment benefit obligations		41,661	37,759
Other assets		3,251	3,235	Deferred income tax liability	20	106,200	109,528
Investments accounted for using the equity method	15	22,036	24,094	Provisions	21	15,322	16,184
Property, plant and equipment	16	1,474,390	1,388,923	Other liabilities		7,205	6,992
Intangible assets and goodwill	17	626,925	616,669			1,079,054	907,068
Right-of-use assets	18(a)	224,840	179,013				
		2,388,543	2,243,894				
				Total liabilities			
				Shareholders' equity			
				Share capital	22(a)	230,395	254,430
				Retained earnings		884,586	845,275
				Accumulated other comprehensive income	22(b)	272,286	292,114
				Total shareholders' equity		1,387,267	1,391,819
Total assets		2,868,868	2,716,838	Total liabilities and shareholders' equity		2,868,868	2,716,838

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 June 30

In thousands of U.S. dollars, unaudited

	Note	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Revenue from goods sold	24	426,512	412,841	633,471	639,397
Cost of goods sold	25	(318,566)	(316,066)	(574,181)	(568,155)
Gross profit		107,946	96,775	59,290	71,242
Operating expense					
Selling	25	(7,888)	(8,978)	(15,642)	(18,430)
General and administrative	25	(19,965)	(17,038)	(40,478)	(34,603)
Other operating income, net		3,145	1,152	12,648	8,216
		(24,708)	(24,864)	(43,472)	(44,817)
Operating income before equity results and net financing expense		83,238	71,911	15,818	26,425
Investment results from equity share in joint ventures	15	410	1,846	(449)	1,740
Financing expense, net	26	(15,910)	(30,389)	(28,556)	(48,995)
Income (loss) before income tax (expense) recovery		67,738	43,368	(13,187)	(20,830)
Provision for income tax (expense) recovery		(18,990)	(13,769)	2,750	1,261
Net income (loss) for the period		48,748	29,599	(10,437)	(19,569)
Other comprehensive income:					
Items that may be subsequent reclassified to profit or loss					
Accumulated foreign currency translation adjustment	22(b)	(49,014)	9,036	(48,319)	21,434
Changes in fair value of financial assets at fair value through other comprehensive income	22(b)	10	11	(11)	(11)
Unrealized gain (loss) on net investment hedge, net of tax	8.3	28,537	(4,945)	28,502	(14,915)
Other comprehensive (loss) income for the period		(20,467)	4,102	(19,828)	6,508
Total comprehensive income (loss) for the period		28,281	33,701	(30,265)	(13,061)

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 shareholder equity

Period ended June 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, 2023		353,331	800,000	270,346	1,423,677
Net loss for the period		-	(19,569)	-	(19,569)
Other comprehensive income		-	-	6,508	6,508
Comprehensive loss for the period		-	(19,569)	6,508	(13,061)
Foreign currency translation		(10,762)	(23,222)	-	(33,984)
Capital reduction		(75,030)	-	-	(75,030)
Balance - June 30, 2024		267,539	757,209	276,854	1,301,602
Balance - December 31, 2024		254,430	845,275	292,114	1,391,819
Net loss for the period		-	(10,437)	-	(10,437)
Other comprehensive loss		-	-	(19,828)	(19,828)
Comprehensive loss for the period		-	(10,437)	(19,828)	(30,265)
Foreign currency translation		14,504	49,748	-	64,252
Capital reduction	22(a)	(38,539)	-	-	(38,539)
Balance - June 30, 2025		230,395	884,586	272,286	1,387,267

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

Condensed consolidated interim statements of cash flows
For the period ended June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

	Note	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Cash flows from operating activities			
Loss before tax recovery		(13,187)	(20,830)
Adjustments of items that do not represent changes in cash and cash equivalents:			
Depreciation and amortization	25	89,678	87,454
Investment results from equity share in joint ventures	15	449	(1,740)
Loss (gain) on sale of property, plant and equipment		(5,171)	108
Gain on investment acquisition		(434)	-
Allowance for expected credit loss		(136)	(7)
Financing results, net	26	28,556	48,995
		99,755	113,980
Decrease (increase) in current assets			
Trade and other receivables		(47,016)	(55,339)
Inventories		9,216	(12,696)
Related parties		338	(4,403)
Other current assets		(1,302)	6,155
Increase (decrease) in current liabilities			
Accounts payable and accrued liabilities		(58,529)	(42,657)
Salaries and social charges		1,636	(12,264)
Related parties		(4,900)	(12,694)
Taxes payable		(4,946)	(2,660)
Change in non-current assets and liabilities			
Post-employment benefit obligations		1,935	1,504
Other		(6,726)	1,429
Cash used by operating activities before interest and income tax		(10,539)	(19,645)
Interest paid debt	19(b)	(17,936)	(19,076)
Interest paid on lease liabilities	18(b)	(5,016)	(4,216)
Premium paid on BOND repurchase		-	(2,615)
Income tax paid		(15,717)	(17,527)
Total cash used by operating activities		(49,208)	(63,079)
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment and intangible assets		7,981	85
Dividends received		570	142
Acquisition of investments		(36,590)	(2,220)
Return of capital		1,400	2,000
Acquisition of property, plant and equipment	16	(122,900)	(76,202)
Acquisition of intangible assets	17	(4,522)	(1,954)
Total cash used by investing activities		(154,061)	(78,149)
Cash flows from financing activities			
Proceeds from borrowings	19(b)	331,032	683,567
Repayment of borrowings	19(b)	(114,468)	(425,673)
Payment of lease liabilities	18(b)	(20,916)	(19,085)
Return of capital		(38,539)	(12,755)
Financial costs, except interest		(3,457)	(9,000)
Total cash provided by financing activities		153,652	217,054
(Decrease) increase in cash and cash equivalents		(49,617)	75,826
Effect of foreign exchange on cash		1,775	(2,013)
Cash and cash equivalents at the beginning of the period		104,962	94,534
Cash and cash equivalents at the end of the period		57,120	168,347
Accounts payable and accrued liabilities		43,118	-
Acquisition of property, plant and equipment		(43,118)	-
Return of capital		-	(62,275)
Related parties		-	62,275

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

St. Marys Cement Inc. (Canada)**Notes to condensed consolidated interim financial statements**
For the period ended June 30, 2025

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 June 30, 2025, were approved by the Management on July 30, 2025.

3 Main events which occurred in the interim period**3.1 New Loan**

On March 7, 2025, the Company entered into a bilateral loan in the total amount of USD 85.0M due in March 2026. The funds from this issuance were intended for cash replenishment.

3.2 Trade tariffs between the United States and Canada

Starting March 4, 2025, the United States imposed 25% tariffs on all goods from Canada and 10% tariffs on Canadian energy imports through an executive order signed by President Trump. In response, Canada and other nations announced or threatened counter tariffs. On March 6, 2025, President Trump amended the executive order to exempt goods originating from Canada and Mexico covered under the USMCA trade pact, which encompasses most of the goods traded by the Company.

On March 12, 2025, the United States began applying a 25% tariff on imports of steel and aluminum products from all countries, including Canada. These tariffs were later increased to 50% for steel and aluminum. Efforts to mitigate these impacts include sourcing from alternative suppliers and passing costs to clients. The volatility caused by the imposition of tariffs could impact the construction industry leading to a slowdown in projects or higher costs, which could impact the company’s future earnings and financial position.

On July 10, 2025, the United States announced an increase in tariffs from 25% to 35% on goods not covered under the USMCA trade agreement, effective August 1, 2025. Such tariffs could lead to increased costs and reduced availability of materials. The Company continues to closely monitor developments related to these tariff changes and assess their potential impact.

3.3 Capital reduction

On June 30, 2025, the Company approved a capital return in the amount of \$38.54 million to its shareholders (\$31.99 million to VCI and \$6.55 million to McInnis Holding Limited Partnership), 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 \$31.99 million owed to VCI and the \$6.55 million owned to McInnis Holding Limited Partnership.

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

St. Marys Cement Inc. (Canada)

Notes to condensed consolidated interim financial statements
For the period ended June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

3.4 Business Acquisition

On May 2025, VCNA Prairie LLC, a wholly owned subsidiary of VCNA based in Chicago, Illinois, USA entered into an agreement to acquire Illinois based Rogers Ready Mix & Materials, Inc. and Rogers Transportation Services, Inc. (Note 27).

Notes to condensed consolidated interim financial statements
For the period ended June 30, 2025
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:

	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	Last twelve months ended 30-Jun-2025	Last twelve months ended 31-Dec-2024
Revenue from goods sold	426,512	412,841	633,471	639,397	1,497,771	1,503,697
Net loss for the period	48,748	29,599	(10,437)	(19,569)	119,421	110,290
Loss before income tax recovery	67,738	43,368	(13,187)	(20,830)	160,810	153,168
Depreciation and amortization	46,069	45,403	89,678	87,454	181,630	179,407
Financing expense, net	15,910	30,389	28,556	48,995	69,850	90,289
Investment results from equity share in joint ventures	(410)	(1,846)	449	(1,740)	(4,530)	(6,719)
Dividends received	1,400	2,000	1,970	2,142	5,716	5,888
Adjusted EBITDA items						
Gain on investment acquisition	(434)	-	(434)	-	(434)	-
Impairment (reversal) on property, plant and equipment and intangible assets	-	-	-	-	(603)	(603)
Adjusted EBITDA	130,273	119,314	107,032	116,021	412,439	421,430

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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

4.2 Capital management

The ratios at June 30, 2025 and December 31, 2024 were as follows:

	Note	01/01/2025 to 06/30/2025	01/01/2024 to 12/31/2024
Borrowing	19(a)	813,818	589,258
Lease liabilities	18(b)	227,913	181,417
Cash and cash equivalents	10	(57,120)	(104,962)
Net debt - (A)		984,610	665,713
Adjusted EBITDA last 12 months - (B)		412,439	421,430
Financial leverage ratio - (A/B)		2.39	1.58

5 Changes in accounting policies and disclosures

5.1 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 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, 2024, approved by the Board of Directors of the Company on February 20, 2025.

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, 2024.

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

7 Critical accounting estimates and assumptions

In the period ended June 30, 2025, 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, 2024.

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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

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 19(d)) which the main objective is to provide additional liquidity to the Company during the seasonal months.

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.

St. Marys Cement Inc. (Canada)



Notes to condensed consolidated interim financial statements

For the period ended June 30, 2025

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

8.3 Hedging of net investments in foreign operations

01/01/2025 to 06/30/2025								
Investor		Hedged item				Instrument		
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount (Note 19(a))
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	77.98%	641,213	USD	500,000	498,877
								'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))*
								28,502
								28,502

01/01/2024 to 06/30/2024								
Investor		Hedged item				Instrument		
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount (Note 19(a))
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	75.51%	662,173	USD	500,000	731,165
								'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))*
								(14,915)
								(14,915)

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 June 30, 2025

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 June 30, 2025					
Borrowing	127,890	293,558	55,272	610,698	1,087,418
Lease liabilities	43,524	72,463	48,587	163,502	328,076
Accounts payable and accrued liabilities	210,072	-	-	-	210,072
Salaries and benefits	34,188	-	-	-	34,188
	<u>415,674</u>	<u>366,021</u>	<u>103,859</u>	<u>774,200</u>	<u>1,659,754</u>

	Less than one year	Between one and three years	Between three and five years	Over 5 years	Total
At December 30, 2024					
Borrowing	32,576	32,348	176,491	625,376	866,791
Related parties	1,702	-	-	-	1,702
Lease liabilities	33,106	58,938	36,381	104,906	233,331
Accounts payable and accrued liabilities	309,786	-	-	-	309,786
Salaries and benefits	34,514	-	-	-	34,514
	<u>411,684</u>	<u>91,286</u>	<u>212,872</u>	<u>730,282</u>	<u>1,446,124</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 June 30, 2025
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-Jun-2025
	Note	Amortized cost	Fair value through other comprehensive income	Total
Current assets				
Cash and cash equivalents	10	57,120	-	57,120
Trade and other receivables	11	29,169	-	29,169
		86,289	-	86,289
Non-current assets				
Notes and capital related to SPE	13	75,003	-	75,003
Financial investments		-	34	34
		75,003	34	75,037
Current liabilities				
Borrowing	19(a)	94,179	-	94,179
Lease liabilities	18(b)	38,886	-	38,886
Accounts payable and accrued liabilities		210,072	-	210,072
Securitization	13	25,222	-	25,222
Salaries and benefits		34,188	-	34,188
		402,547	-	402,547
Non-current liabilities				
Borrowing	19(a)	719,639	-	719,639
Lease liabilities	18(b)	189,027	-	189,027
		908,666	-	908,666

	Note	Amortized cost	Fair value through other comprehensive income	Total
Current assets				
Cash and cash equivalents	10	104,962	-	104,962
Trade receivables	11	4,336	-	4,336
		109,298	-	109,298
Non-current assets				
Notes and capital related to SPE	13	52,515	-	52,515
Financial investments		-	42	42
		52,515	42	52,557
Current liabilities				
Borrowing	19(a)	6,948	-	6,948
Lease liabilities	18(b)	27,122	-	27,122
Accounts payable and accrued liabilities		309,786	-	309,786
Securitization		25,432	-	25,432
Salaries and benefits		34,514	-	34,514
		403,802	-	403,801
Non-current liabilities				
Borrowing	19(a)	582,310	-	582,310
Lease liabilities	18(b)	154,295	-	154,295
		736,605	-	736,605

(b) Fair value of financial instruments

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 June 30, 2025

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

	Note	Fair value measured based on		30-Jun-2025
		Price quoted in an active market	Valuation technique supported by observable prices	
		Level 1	Level 2	Fair value
Assets				
Financial investments		34		34
		34	-	34
Liabilities				
Borrowing	19(a)	506,062	316,004	822,066
		506,062	316,004	822,066

	Note	Fair value measured based on		31-Dec-2024
		Price quoted in an active market	Valuation technique supported by observable prices	
		Level 1	Level 2	Fair value
Assets				
Financial investments		42	-	42
		42	-	42
Liabilities				
Borrowing	19(a)	482,600	92,086	574,686
		482,600	92,086	574,686

10 Cash and cash equivalents

	30-Jun-2025	31-Dec-2024
\$CDN Cash at bank and on hand	18,711	51,474
\$US Equivalent	13,745	35,773
\$US Cash at bank and on hand	43,375	69,189
	57,120	104,962

11 Trade and other receivables

	Note	30-Jun-2025	31-Dec-2024
Trade accounts receivable		25,192	-
Non-trade accounts receivable		3,724	4,477
Due from related parties	14.1	587	304
		29,503	4,781
Provision for expected credit loss		(334)	(445)
		29,169	4,336

12 Inventory

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 June 30, 2025

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

	30-Jun-2025	31-Dec-2024
Raw materials	48,670	54,662
Fuels	53,222	57,318
Semi-finished product	121,671	118,111
Finished product	25,375	20,103
Spare parts / maintenance materials	58,878	54,917
Less: Provision for obsolescence	(18,262)	(16,307)
	<u>289,554</u>	<u>288,804</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-Jun-2025	31-Dec-2024
Notes continuing to be recognized	69,133	48,313
Capital contribution in the SPE	5,870	4,202
Notes and capital related to the SPE	<u>75,003</u>	<u>52,515</u>
Security guarantee	(18,234)	(16,852)
Junior note guarantee losses	(6,988)	(8,580)
Junior subordinated note	<u>(25,222)</u>	<u>(25,432)</u>
Net carrying amount of the continuing involvement	<u>49,781</u>	<u>27,083</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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

14 Related party transactions

14.1 Analysis

	Parent Company		Associates		Joint ventures		Other		Total	
	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024
Assets										
Current										
Trade receivables (i)	-	-	-	-	476	269	-	-	476	269
Other receivables (ii)	-	-	-	35	111	-	75,003	52,515	75,114	52,550
	-	-	-	35	587	269	75,003	52,515	75,590	52,819
Liabilities										
Current										
Trade payables (iii)	-	-	-	-	47	285	-	-	47	285
Other liabilities (iii)	-	-	3,450	15,018	-	-	25,222	25,432	28,672	40,450
Non-current										
Other liabilities (iv)	1,545	1,702	-	-	-	-	-	-	1,545	1,702
	1,545	1,702	3,450	15,018	47	285	25,222	25,432	30,264	42,437

	Parent Company		Associates		Joint ventures		Other		Total	
	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Income Statement										
Sales (i)	-	-	-	-	1,559	3,630	-	-	1,559	3,630
Purchases (iii)	-	-	(4,295)	(1,194)	(12,758)	(14,278)	-	-	(17,054)	(15,472)
Financial income (ii)	-	-	-	-	-	-	4,853	3,321	4,853	3,321
Financial expenses (ii)	-	(884)	-	-	-	-	(7,589)	(17,919)	(7,589)	(18,803)
	-	(884)	(4,295)	(1,194)	(11,199)	(10,648)	(2,736)	(14,598)	(18,230)	(27,324)

(i) Sales operations of cement to joint venture, mainly Midway Group LLC.

(ii) Mainly refers to the receivable's securitization operation with the company VCNA SPE, LLC (Note 12).

(iii) Supplier and purchase balances mainly, Hutton Transport Limited, RMC Leasing LLC, Midway Group LLC, Votorantim Cimentos Trading.

(iv) Cost sharing

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 June 30, 2025

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

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	
				01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024	30-Jun-2025	31-Dec-2024
Joint ventures							
Hutton Transport Limited	19,031	1,776	25.00	444	593	6,937	6,266
Grundy River Holdings, LLC	16,561	418	50.00	209	902	8,281	8,508
Midway Group, LLC	12,482	(1,274)	50.00	(637)	70	6,241	6,878
RMC Leasing, LLC	1,154	(930)	50.00	(465)	175	577	2,442
				(449)	1,740	22,036	24,094

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 June 30, 2025
 In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Changes

	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period	24,094	23,774
Investment results from equity share in joint ventures	(449)	1,740
Approved dividends	(570)	(142)
Currency translation	361	(178)
Capital increase (return of capital)	(1,400)	(2,000)
Balance at the end of the period	22,036	23,194

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 June 30, 2025

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

16 Property, plant and equipment

(a) Analysis and changes

	Note	Land	Land improvements & buildings	Equipment	Vehicles	Construction in progress	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period								
Cost		99,338	865,180	1,864,989	311,326	242,591	3,383,424	3,233,610
Accumulated depreciation		-	(510,377)	(1,277,181)	(206,943)	-	(1,994,501)	(1,873,161)
Net balance		99,338	354,803	587,808	104,383	242,591	1,388,923	1,360,449
Acquisitions		-	-	-	-	84,304	84,304	78,156
Business acquisition	27	6,617	3,470	3,706	11,679	-	25,472	1,167
Disposals		(2,013)	(125)	(380)	(267)	-	(2,785)	(23)
Depreciation		-	(9,448)	(39,025)	(11,863)	-	(60,336)	(58,296)
Transfers		1,270	6,232	67,534	21,150	(100,708)	(4,522)	(1,954)
Translation differences		2,759	10,663	19,191	2,596	8,125	43,334	(23,061)
Balance at the end of the period		107,971	365,595	638,834	127,678	234,312	1,474,390	1,356,438
Cost		107,971	885,420	1,955,040	346,484	234,312	3,529,227	3,287,895
Accumulated depreciation		-	(519,825)	(1,316,206)	(218,806)	-	(2,054,837)	(1,931,457)
Net balance		107,971	365,595	638,834	127,678	234,312	1,474,390	1,356,438
Average annual depreciation rates %			4	7	14			

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 June 30, 2025

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

17 Intangible assets and goodwill

	Note	Goodwill	Computer software	Exploration rights	ARO	Customer relationships and non-compete	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period								
Cost		295,239	35,658	365,839	43,973	121,981	862,690	864,569
Accumulated depreciation		-	(33,466)	(94,147)	(30,375)	(88,033)	(246,021)	(229,975)
Net balance		295,239	2,192	271,692	13,598	33,948	616,669	634,594
Transfers		-	3,585	937	-	-	4,522	1,954
Business acquisition	27	-	-	7,603	-	-	7,603	767
Disposals		-	-	(25)	-	-	(25)	-
Amortization		-	(849)	(2,666)	(2,094)	(1,653)	(7,262)	(8,165)
Translation differences		-	198	4,995	225	-	5,418	(3,102)
Balance at the end of the period		295,239	5,126	282,536	11,729	32,295	626,925	626,048
Cost		295,239	39,441	379,349	44,198	121,981	880,208	864,188
Accumulated depreciation		-	(34,315)	(96,813)	(32,469)	(89,686)	(253,283)	(238,140)
Net balance		295,239	5,126	282,536	11,729	32,295	626,925	626,048
Average annual amortization rates %			20	3	3	7		

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 June 30, 2025

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	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period						
Cost	106,619	31,065	34,727	212,929	385,340	327,575
Accumulated depreciation	(24,264)	(27,471)	(30,845)	(123,747)	(206,327)	(164,306)
Net balance	82,355	3,593	3,882	89,182	179,013	163,269
Acquisitions	15	3,346	-	59,093	62,454	44,834
Disposals	(213)	-	(623)	-	(836)	(753)
Amortization	(2,219)	(2,649)	(736)	(16,476)	(22,080)	(20,993)
Currency translation adjustment	819	166	2	5,302	6,289	(1,613)
Balance at the end of the period	80,757	4,457	2,525	137,101	224,840	184,743
Cost	107,240	34,577	34,106	277,324	453,247	370,042
Accumulated depreciation	(26,483)	(30,120)	(31,581)	(140,223)	(228,407)	(185,299)
Net balance	80,757	4,457	2,525	137,101	224,840	184,743
Average annual amortization rates %	33	33	5	9		

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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Analysis and changes of lease agreements

	Note	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period		181,417	171,528
Additions		62,454	44,834
Disposal		(836)	(754)
Payments		(20,916)	(19,085)
Interest expense	26	4,889	4,221
Interest paid		(5,016)	(4,216)
Exchange variations		5,921	(974)
Balance at the end of the period		227,913	195,554
Current		38,886	31,065
Non-current		189,027	164,489
		227,913	195,554

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.

Notes to condensed consolidated interim financial statements

For the period ended June 30, 2025

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

19 Borrowings

(a) Analysis

Type	Average annual cost	Current		Non-current		Total	
		30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024	30-Jun-2025	31-Dec-2024
CAD Revolver *	CORRA + 0.95%	537	-	160,452	-	160,989	-
USD Equivalent		395	-	117,867	-	118,261	-
USD Revolver*	SOFR + 0.95%	984	298	109,000	90,000	109,984	90,298
Total Revolver		1,379	298	226,867	90,000	228,246	90,298
Bond Payable*	5.8%	6,105	6,103	492,772	492,310	498,877	498,413
Bilateral loan	SOFR + 0.87%	86,347	-	-	-	86,347	-
Mortgages Payable	3.6%	348	547	-	-	348	547
		94,179	6,948	719,639	582,310	813,818	589,258

*These borrowings are guaranteed by the Company's parent Company VCSA.

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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

(b) Changes

The changes for the period are as follows:

	Note	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period		583,209	542,168
New borrowings (i)		331,032	683,567
Exchange rate variations		11,331	7,442
Interest expense	26	20,135	22,194
Interest paid		(17,936)	(19,076)
Premium paid on BOND repurchase		-	(2,615)
Amortization (additions) of financing costs		515	(6,051)
Principal paid (ii)		(114,468)	(425,673)
Balance at the end of the period		813,818	801,956

(i) New borrowings are made up of revolver withdrawals (\$246M) and new loan (\$85M) (Note 3.1).

(ii) Principal paid is made up of revolver repayments.

(c) 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	(226,815)	73,185
Global Revolving Credit Facility	VCSA / VCI / VCEAA / St Mary's	Sep/21	Sep/26	250,000	-	250,000
					(226,815)	323,185

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 15,000 and withdraws amounting to USD 5,000.

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-Jun-2025	31-Dec-2024
Deferred tax assets:		
Net operating losses	69,540	64,881
Investment Tax Credit (ITC)	41,863	39,289
Provisions	23,095	21,073
Ontario Minimum tax	9,050	8,091
Other	9,331	2,737
Total deferred tax assets	152,879	136,071
Deferred tax liabilities:		
Accelerated tax depreciation	(245,933)	(237,380)
Total deferred tax liabilities	(245,933)	(237,380)
Net deferred tax assets (liabilities)	(93,054)	(101,309)
Deferred tax assets *	13,146	8,219
Deferred tax liabilities *	(106,200)	(109,528)

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 June 30, 2025
 In thousands of U.S. dollars, unless otherwise stated, unaudited

*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 six months ended June 30, 2025, no top-up tax nor any QDMTT impact in Canada is expected for 2025 and thus the Company has no related current tax expense associated with global minimum tax.

21 Asset Retirement Obligation ("ARO")

	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Balance at the beginning of the period	16,184	19,413
Charged to the income statement	658	688
Settlements	(1,781)	(2,032)
Exchange differences	261	(191)
Balance at the end of the period	15,322	17,878

22 Shareholders' equity

a) Share capital

On June 30, 2025, the Company returned capital in the amount of \$31.99 million to VCI and \$6.55 million to McInnis Holding Limited Partnership, with no cancellation of shares (Note 3.3).

As at June 30, 2025, the Company's fully subscribed and paid-up capital was \$230,395 (December 31, 2024— \$254,430), consisting of 1,000,000 Class A Common Shares (December 31, 2024 – 1,000,000 Class A Common Shares).

Notes to condensed consolidated interim financial statements

For the period ended June 30, 2025

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

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, 2023	285,452	(12,599)	(2,507)	270,346
Unrealized gain on net investment hedge, net of tax	-	(14,915)	-	(14,915)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(11)	(11)
Foreign currency translation	21,434	-	-	21,434
Balance - June 30, 2024	306,886	(27,514)	(2,518)	276,854
Balance - December 31, 2024	346,617	(51,964)	(2,539)	292,114
Unrealized gain on net investment hedge, net of tax	-	28,502	-	28,502
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(11)	(11)
Foreign currency translation	(48,319)	-	-	(48,319)
Balance - June 30, 2025	298,298	(23,462)	(2,550)	272,286

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 June 30, 2025
In thousands of U.S. dollars, unless otherwise stated, unaudited

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.

24 Revenue

(a) Net revenue by product line

	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Cement	224,808	228,676	340,360	348,755
Ready-mix	168,684	154,143	244,947	242,437
Aggregates	31,806	28,860	46,471	46,039
Other	1,214	1,163	1,693	2,166
	<u>426,512</u>	<u>412,841</u>	<u>633,471</u>	<u>639,397</u>

(b) Breakdown

	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Gross sales				
Customers in Canada	119,547	132,668	190,309	220,100
Customers in USA	306,965	280,173	443,162	419,297
Revenue from contracts with customers	<u>426,512</u>	<u>412,841</u>	<u>633,471</u>	<u>639,397</u>

25 Expense by nature

	Note	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Employee benefit expense		91,880	85,433	168,692	159,627
Freight cost		44,279	51,730	64,682	76,009
Depreciation and amortization	16, 17 and 18(a)	46,069	45,403	89,678	87,454
Maintenance		32,184	29,114	92,242	76,726
Raw materials and consumables		52,486	50,739	73,549	80,252
Fuel costs		19,206	20,850	31,751	36,189
Electric power consumption		12,999	11,601	23,743	21,522
Services, miscellaneous		14,274	17,362	26,057	31,320
Taxes, fees and contributions		5,489	5,576	10,724	11,326
Insurance		2,823	2,586	5,567	5,138
Rents and leases	18(b)	3,138	2,538	5,215	4,357
Utilities		1,162	1,145	3,308	3,163
Other expenses		20,430	18,005	35,093	28,105
		<u>346,419</u>	<u>342,082</u>	<u>630,301</u>	<u>621,188</u>
Reconciliation					
Cost of sales		318,566	316,066	574,181	568,155
Selling		7,888	8,978	15,642	18,430
General and administrative		19,965	17,038	40,478	34,603
		<u>346,419</u>	<u>342,082</u>	<u>630,301</u>	<u>621,188</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 June 30, 2025

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

26 Financing results, net

	Note	04/01/2025 to 06/30/2025	04/01/2024 to 06/30/2024	01/01/2025 to 06/30/2025	01/01/2024 to 06/30/2024
Financial income					
A/R securitization fees income		(1,404)	1,832	4,853	3,321
Cross guarantee revenue		-	-	-	147
Interest income		404	2,202	1,028	2,504
Financial instruments		-	199	-	199
		(1,000)	4,233	5,881	6,171
Financial expense					
Interest expense, third party loans	19(a)	(10,673)	(12,599)	(20,135)	(22,194)
A/R securitization fees expenses		(4,380)	(11,888)	(7,589)	(17,919)
Cross guarantee expenses		-	(414)	(3,232)	(2,791)
Interest expense, leasing	18(b)	(2,580)	(2,602)	(4,889)	(4,221)
Premium paid on BOND repurchase		-	(2,615)	-	(2,615)
Bank charges and other financial results		(737)	(885)	(1,724)	(1,774)
Amortization of prepaid financing costs		(255)	(3,744)	(515)	(4,148)
Interest expense, related party loans		-	(33)	-	(33)
		(18,625)	(34,780)	(38,084)	(55,695)
Net foreign exchange					
		3,715	158	3,647	529
		(15,910)	(30,389)	(28,556)	(48,995)

27 Business combination – Ready-mix and Aggregate business acquisition

On May 31, 2025, VCNA Prairie LLC, a wholly owned subsidiary of VCNA based in Chicago, Illinois, USA entered into an agreement to acquire the net assets of Illinois based Rogers Ready Mix & Materials, Inc. and Rogers Transportation Services, Inc. Management accounted for the transaction as a business combination in accordance with IFRS 3 – Business Combinations. This transaction is aligned with our growth and positioning strategy and will allow the increase of our capacity to supply aggregates and ready-mix to clients from the construction and agriculture sectors in the state of Illinois.

Rogers Ready Mix & Materials, Inc. and Rogers Transportation Services, Inc. operates its business through seven operating units among aggregates and ready-mix, all located in the state of Illinois.

Details of the purchase consideration and the provisional assets and liabilities recognised as a result of the acquisition are as follows:

	Purchase consideration
Cash paid	36,000
Price adjustment (working capital)	590
Total purchase consideration	36,590
	Provisional balances
Accounts receivable	2,425
Inventory	1,923
Property, Plant and Equipment	25,472
Intangible assets	7,603
Accounts payable	(399)
	37,024
Gain on investment acquisition	(434)
Total assets and liabilities	36,590

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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The gain on investment acquisition recognized related to the acquisitions arises from the Company's valuation of the business based on its fair value and was booked into "Other operating income (expense), net", in the Income Statement.

The purchase price allocation for the acquisition reflects fair value estimates which are preliminary and are subject to change within the measurement period.

As stated in IFRS 3, the Company has 1 year to fulfill the purchase price allocation ("PPA") of the acquired assets and liabilities.

(a) Revenue and profit contribution

The acquired businesses contributed revenues of \$6.2M and a net profit of \$1.9M to the group for the period from May 1st, 2025 to June 30, 2025.

28 Events after the reporting period

(a) One Big Beautiful Bill Act

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was signed into law, introducing significant U.S. tax changes. Key provisions that may impact VCNA are Interest Deductibility (IRC §163(j)), Bonus Depreciation and Section §179. The Company is currently evaluating the Act's potential impact on its Consolidated Financial Statements and will update its assessment as further guidance becomes available.

(b) Global Revolving Credit Facility

In replacement of the revolving credit facility (Global Revolving Credit Facility) contracted in September 2021 in the amount of USD 250 million and maturing in September 2026, in July 2025, VCSA and its subsidiaries, including the Company, entered into a new revolving credit facility with a syndicate of banks in the amount of USD 250 million, maturing in July 2030. This facility is characterized as Sustainability-Linked, in alignment with VCSA's and its subsidiaries long-term sustainability commitments. The revolving credit facility is available for drawdown at any time, reinforcing our liquidity position.



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