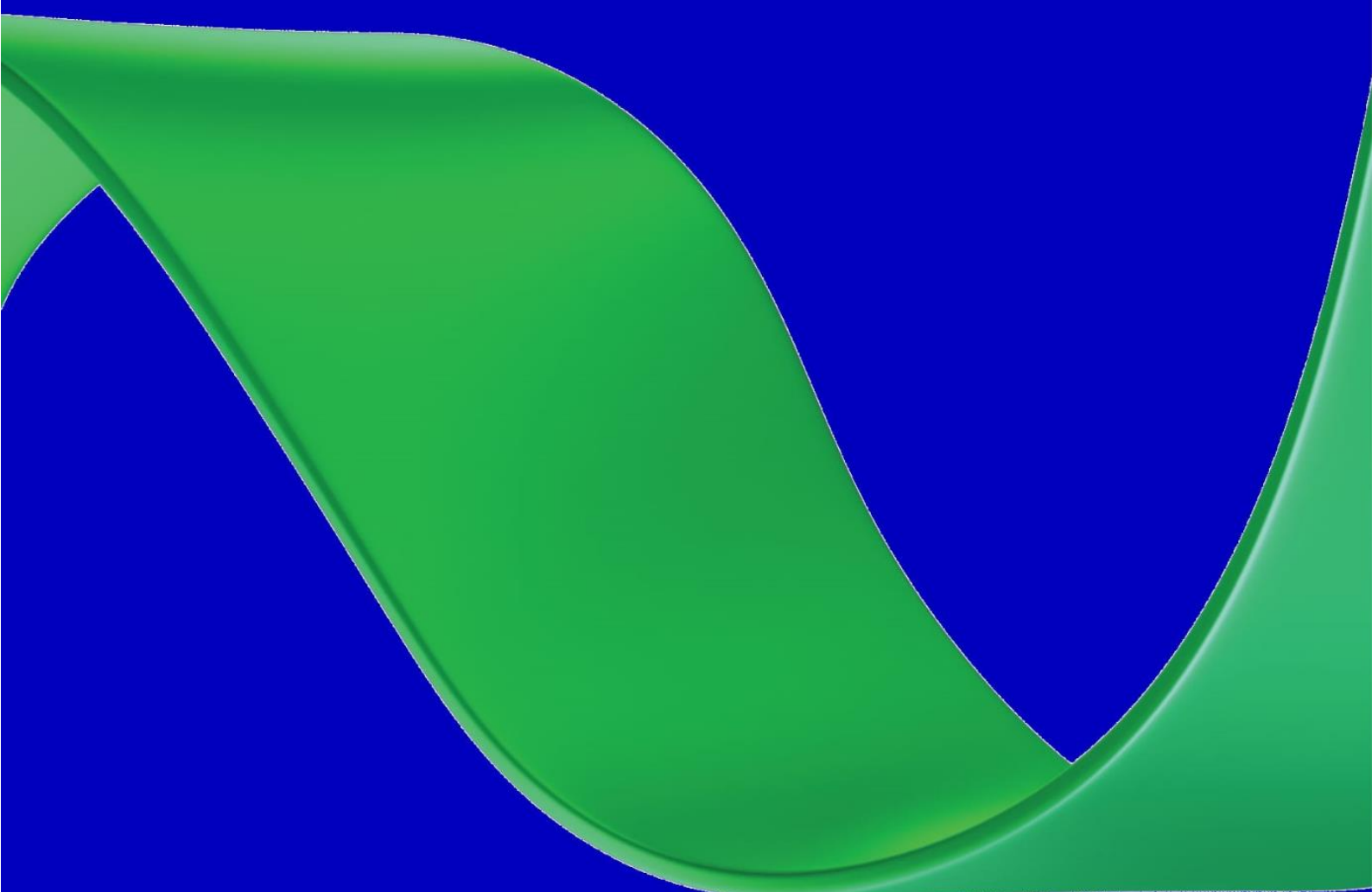


# St. Marys Cement Inc. (Canada)

**Condensed Consolidated Interim Financial  
Statements at March 31, 2024**  
(in thousands of U.S. dollars)



<b>CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS .....</b>	<b>3</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE IN .....</b>	<b>4</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY .....</b>	<b>5</b>
<b>CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASHFLOWS.....</b>	<b>6</b>
1 GENERAL INFORMATION .....	7
2 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	7
3 SUPPLEMENTARY INFORMATION.....	7
3.1 ADJUSTED EBITDA .....	7
3.2 CAPITAL MANAGEMENT .....	7
4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES.....	8
5 BASIS OF PRESENTATION .....	8
6 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS.....	8
7 FINANCIAL RISK MANAGEMENT.....	9
7.1 SEASONALITY OF CEMENT OPERATIONS .....	9
7.2 ENVIRONMENT RISK MANAGEMENT .....	9
7.3 HEDGING OF NET INVESTMENTS IN FOREIGN OPERATIONS .....	9
7.4 LIQUIDITY RISK.....	9
8 FINANCIAL INSTRUMENTS BY CATEGORY .....	10
(A) ANALYSIS.....	10
(B) FAIR VALUE OF FINANCIAL INSTRUMENTS.....	11
9 CASH AND CASH EQUIVALENTS .....	12
10 TRADE RECEIVABLES.....	12
11 INVENTORY .....	12
12 SECURITIZATION.....	12
13 RELATED PARTY TRANSACTIONS.....	13
13.1 ANALYSIS.....	13
13.2 DEBTS ISSUED BY THE COMPANY AND ITS SUBSIDIARIES GUARANTEED BY THE GROUP.....	13
14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD .....	14
(A) ANALYSIS.....	14
(B) CHANGES.....	14
15 PROPERTY, PLANT AND EQUIPMENT .....	14
16 INTANGIBLE ASSETS AND GOODWILL .....	15
17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES .....	15
18 BORROWINGS.....	16
19 INCOME TAX .....	17
20 PROVISIONS AND OTHER LIABILITIES .....	18
21 SHAREHOLDERS' EQUITY .....	18
22 CONTINGENCIES.....	18
23 REVENUE .....	19
24 EXPENSE BY NATURE .....	19
25 FINANCING RESULTS, NET.....	20
26 EVENTS AFTER THE REPORTING PERIOD .....	20

## St. Marys Cement Inc. (Canada)



### Condensed consolidated interim balance sheets In thousands of U.S. dollars, unaudited

Assets	Note	31-Mar-2024	31-Dec-2023	Liabilities and shareholders' equity	Note	31-Mar-2024	31-Dec-2023
<b>Current assets</b>				<b>Current liabilities</b>			
Cash and cash equivalents	9	72,572	94,534	Borrowing	18(a)	6,282	11,277
Trade and other receivables	10	20,528	4,423	Lease liabilities	17(b)	19,397	18,693
Inventories	11	262,362	256,296	Accounts payable and accrued liabilities		195,384	277,722
Prepaid expenses		22,669	14,910	Securitization	12	-	19,693
Notes and capital related to SPE	12	-	51,716	Salaries and benefits		29,725	44,248
Other assets		6,310	5,130	Indirect taxes payable		598	5,349
		384,441	427,009	Income taxes payable		1,056	1,352
						252,442	378,334
<b>Non-current assets</b>				<b>Non-current liabilities</b>			
Notes and capital related to SPE	12	54,737	-	Borrowing	18(a)	722,952	530,891
Prepaid expenses		9,056	8,813	Lease liabilities	17(b)	146,357	152,835
Pension assets		15,730	16,655	Post-employment benefit obligations		39,641	40,063
Deferred income tax asset	19	25,533	17,835	Deferred income tax liability	19	88,102	95,110
Other assets		1,241	1,469	Provisions	20	36,717	19,413
Investments accounted for using the equity method	14(a)	23,408	23,774	Other liabilities		13,395	13,544
Property, plant and equipment	15(a)	1,354,560	1,360,449			1,047,164	851,856
Intangible assets and goodwill	16	629,007	634,594				
Right-of-use assets	17(a)	158,035	163,269				
		2,271,307	2,226,858	<b>Total liabilities</b>		1,299,606	1,230,190
				<b>Shareholders' equity</b>			
				Share capital	21	346,286	353,331
				Retained earnings		737,102	800,000
				Accumulated other comprehensive income	21(b)	272,752	270,346
				<b>Total shareholders' equity</b>		1,356,140	1,423,677
<b>Total assets</b>		<u>2,655,748</u>	<u>2,653,867</u>	<b>Total liabilities and shareholders' equity</b>		<u>2,655,746</u>	<u>2,653,867</u>

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 March 31

In thousands of U.S. dollars, unaudited

	Note	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
Revenue from goods sold	23(a)	226,556	232,621
Cost of goods sold	24	(252,088)	(260,022)
<b>Gross loss</b>		<u>(25,532)</u>	<u>(27,401)</u>
<b>Operating expense</b>			
Selling	24	(9,452)	(8,809)
General and administrative	24	(17,565)	(16,406)
Other operating income		7,064	1,565
		<u>(19,953)</u>	<u>(23,650)</u>
<b>Operating loss before equity results and net financing expense</b>		<u>(45,485)</u>	<u>(51,051)</u>
Investment results from equity share in joint ventures	14(a)	(106)	(52)
Financing results, net	25	(18,606)	(13,817)
<b>Loss before income tax recovery</b>		<u>(64,197)</u>	<u>(64,920)</u>
Income tax recovery		15,030	10,385
<b>Net loss for the period</b>		<u>(49,167)</u>	<u>(54,535)</u>
<b>Other comprehensive income:</b>			
<b>Items that may be subsequent reclassified to profit or loss</b>			
Accumulated foreign currency translation adjustment	21(b)	12,398	5,604
Changes in fair value of financial assets at fair value through other comprehensive income	21(b)	(22)	(56)
Unrealized (loss) gain on net investment hedge, net of tax	7.3	(9,970)	2,256
<b>Other comprehensive income for the period</b>		<u>2,406</u>	<u>7,804</u>
<b>Total comprehensive loss for the period</b>		<u>(46,761)</u>	<u>(46,731)</u>

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 March 31**

**In thousands of U.S. dollars, unaudited**

	Share capital	Retained earnings	Accumulated other comprehensive income (Note 21(b))	Total equity
<b>Balance - December 31, 2022</b>	457,140	695,737	269,153	1,422,030
Net loss for the period	-	(54,535)	-	(54,535)
Other comprehensive income	-	-	7,804	7,804
Comprehensive loss for the period	-	(54,535)	7,804	(46,731)
Foreign currency translation	2,063	(2,341)	-	(278)
<b>Balance - March 31, 2023</b>	459,203	638,861	276,957	1,375,021
<b>Balance - December 31, 2023</b>	353,331	800,000	270,346	1,423,677
Net loss for the period	-	(49,167)	-	(49,167)
Other comprehensive income	-	-	2,406	2,406
Comprehensive loss for the period	-	(49,167)	2,406	(46,761)
Foreign currency translation	(7,045)	(13,731)	-	(20,776)
<b>Balance - March 31, 2024</b>	346,286	737,102	272,752	1,356,140

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

## Condensed consolidated interim statements of cash flows

Period ended March 31

In thousands of U.S. dollars, unaudited

	Note	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Cash flows from operating activities</b>			
Loss before income tax recovery		(64,197)	(64,920)
Adjustments of items that do not represent changes in cash and cash equivalents:			
Depreciation and amortization	24	42,051	41,930
Investment results from equity share in joint ventures	14(a)	106	52
Gain on sale of property, plant and equipment		(45)	(476)
Allowance for expected credit loss		-	35
Financing results, net	25	18,606	13,817
		(3,479)	(9,562)
<b>Decrease (increase) in current assets</b>			
Trade and other receivables		(27,273)	(26,936)
Inventories		(8,724)	(8,821)
Related parties		313	1,240
Other current assets		(9,101)	(3,257)
<b>Increase (decrease) in current liabilities</b>			
Accounts payable and accrued liabilities		(65,482)	(28,992)
Salaries and social charges		(12,196)	1,133
Related parties		(13,711)	(4,576)
Taxes payable		(4,771)	(4,445)
<b>Change in non-current assets and liabilities</b>			
Post-employment benefit obligations		704	702
Other		5,412	(5,930)
<b>Cash from operating activities before interest and income tax</b>		(138,308)	(89,444)
Interest paid debt	18(c)	(14,585)	(14,413)
Interest paid on lease liabilities	17(b)	(1,618)	(1,765)
Income tax paid		(7,823)	(127)
<b>Total cash from operating activities</b>		(162,334)	(105,749)
<b>Cash flows from investing activities</b>			
Proceeds from disposals of property, plant and equipment and intangible assets		83	604
Dividends received		142	640
Acquisition of investments		-	(2,963)
Acquisition of property, plant and equipment	15(a)	(38,381)	(28,017)
<b>Total cash used from investing activities</b>		(38,156)	(29,736)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	18(c)	192,553	114,436
Repayment of borrowings	18(c)	(105)	(308)
Payment of lease liabilities	17(b)	(10,344)	(8,556)
Financial costs, except interest		(2,526)	(2,201)
<b>Total cash provided (used) by financing activities</b>		179,578	103,371
<b>Increase (decrease) in cash and cash equivalents</b>		(20,912)	(32,114)
Effect of foreign exchange on cash		(1,052)	100
<b>Cash and cash equivalents at the beginning of the period</b>		94,534	80,284
<b>Cash and cash equivalents at the end of the period</b>		72,570	48,270

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 March 31, 2024**

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 three-month period ended March 31, 2024 were approved by the Management on May 3, 2024.

## 3 Supplementary information

### 3.1 Adjusted EBITDA

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

	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023	Last twelve months ended 31-Mar-2024	Last twelve months ended 31-Dec-2023
Revenue from goods sold	226,556	232,621	1,564,240	1,570,305
Net income for the period	(49,167)	(54,535)	108,287	102,919
<b>Income before income tax expense</b>	<b>(64,197)</b>	<b>(64,920)</b>	<b>165,109</b>	<b>164,386</b>
Depreciation and amortization	42,051	41,930	165,399	165,278
Financial results, net	18,606	13,817	60,578	55,789
Investment results from equity share in joint ventures	106	52	(5,202)	(5,256)
Dividends received	142	640	3,671	4,169
<b>Adjusted EBITDA items</b>				
Impairment of non-current assets	-	-	9,505	9,505
<b>Adjusted EBITDA</b>	<b>(3,292)</b>	<b>(8,481)</b>	<b>399,060</b>	<b>393,871</b>

### 3.2 Capital management

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

	31-Mar-2024	31-Dec-2023
Borrowing	729,234	542,168
Lease liabilities	165,754	171,528
Cash and cash equivalents	(72,571)	(94,534)
Net debt - (A)	822,417	619,162
Adjusted EBITDA last 12 months - (B)	399,060	393,871
<b>Financial leverage ratio - (A/B)</b>	<b>2.06</b>	<b>1.57</b>

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

## 4 Changes in accounting policies and disclosures

### 1.1 New standards and amendments issued and adopted by the Company and its subsidiaries

A number of amended standards became applicable for the current reporting period. Except for the amendment to IAS 7 and IFRS 7 explained below, the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

### 1.2 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.

## 5 Basis of presentation

### 5.1 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.

## 6 Critical accounting estimates and assumptions

In the period ended March 31, 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.

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 March 31, 2024**  
 In thousands of U.S. dollars, unless otherwise stated, unaudited

## 7 Financial risk management

### 7.1 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 three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full year.

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.

### 7.2 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.

### 7.3 Hedging of net investments in foreign operations

									01/01/2024 to 03/31/2024
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 21(b))*
Entity	Currency	Investment	Currency	Percentage designated	Underlying investment USD	Currency	Original amount	Carrying amount (Note 18(a))	
St. Marys Cement Inc. (Canada)	CAD	VCNA US, Inc.	USD	74.52%	670,919	USD	500,000	502,632	(9,970)
									(9,970)

									01/01/2023 to 03/31/2023
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 21(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	45.64%	1,095,639	USD	500,000	499,908	2,256
									2,256

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

### 7.4 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	
<b>At March 31, 2024</b>					
Borrowing	42,749	40,358	770,752	-	853,859
Lease liabilities	23,552	37,022	32,809	116,664	210,047
Accounts payable and accrued liabilities	195,384	-	-	-	195,384
Salaries and payroll charges	29,725	-	-	-	29,725
	<u>291,410</u>	<u>77,380</u>	<u>803,561</u>	<u>116,664</u>	<u>1,289,015</u>

**Notes to condensed consolidated interim financial statements  
For the period ended March 31, 2024**

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

	Less than one year	Between one and three years	Between three and five years	Over 5 years	Total
<b>At December 31, 2023</b>					
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
	375,738	67,457	610,253	120,340	1,173,788

## 8 Financial instruments by category

### (a) Analysis

The financial instruments of the Group are classified as follows:

				31-Mar-2024
	Note	Amortized cost	Fair value through other comprehensive income	Total
<b>Current assets</b>				
Cash and cash equivalents	9	72,572	-	72,572
Trade receivables	10	20,528	-	20,528
		93,100	-	93,100
<b>Non-current assets</b>				
Notes and capital related to SPE	12	54,737	-	54,737
Financial investments			56	56
		54,737	56	54,793
<b>Current liabilities</b>				
Borrowing	18(a)	6,282	-	6,282
Lease liabilities	17(b)	19,397	-	19,397
Accounts payable and accrued liabilities		195,384	-	195,384
Salaries and benefits		29,725	-	29,725
		250,788	-	250,788
<b>Non-current liabilities</b>				
Borrowing	18(a)	722,952	-	722,952
Lease liabilities	17(b)	146,357	-	146,357
Securitization	20	17,965	-	17,965
		887,274	-	887,274

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 March 31, 2024

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

			31-Dec-2023	
	Note	Amortized cost	Fair value through other comprehensive income	Total
<b>Current assets</b>				
Cash and cash equivalents	9	94,534	-	94,534
Trade receivables	10	4,423	-	4,423
Notes and capital related to SPE	12	51,716	-	51,716
		<u>150,673</u>	<u>-</u>	<u>150,673</u>
<b>Non-current assets</b>				
Financial investments		-	80	80
<b>Current liabilities</b>				
Borrowing	18(a)	11,277	-	11,277
Lease liabilities	17(b)	18,693	-	18,693
Accounts payable and accrued liabilities		277,722	-	277,722
Securitization		19,693	-	19,693
Salaries and benefits		44,248	-	44,248
		<u>371,633</u>	<u>-</u>	<u>371,633</u>
<b>Non-current liabilities</b>				
Borrowing	18(a)	530,891	-	530,891
Lease liabilities	17(b)	152,835	-	152,835
		<u>683,726</u>	<u>-</u>	<u>683,726</u>

**(b) Fair value of financial instruments**

	Note	Fair value measured based on		31-Mar-2024
		Price quoted in an active market	Valuation technique supported by observable prices	
		Level 1	Level 2	Fair value
<b>Assets</b>				
Financial investments		56	-	56
		<u>56</u>	<u>-</u>	<u>56</u>
<b>Liabilities</b>				
Borrowing	18(a)	503,877	241,079	744,956
		<u>503,877</u>	<u>241,079</u>	<u>744,956</u>

	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	Fair value
<b>Assets</b>				
Financial investments		80	-	80
		<u>80</u>	<u>-</u>	<u>80</u>
<b>Liabilities</b>				
Borrowing	18(a)	512,115	38,457	550,572
		<u>512,115</u>	<u>38,457</u>	<u>550,572</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 March 31, 2024**  
 In thousands of U.S. dollars, unless otherwise stated, unaudited

## 9 Cash and cash equivalents

	<b>31-Mar-2024</b>	<b>31-Dec-2023</b>
\$CDN Cash at bank and on hand	52,315	33,709
\$US Equivalent	38,635	25,401
\$US Cash at bank and on hand	33,936	69,133
	<u>72,571</u>	<u>94,534</u>

## 10 Trade receivables

	<b>Note</b>	<b>31-Mar-2024</b>	<b>31-Dec-2023</b>
Trade accounts receivable		16,698	-
Non-trade accounts receivable		5,433	5,725
Due from related parties	13.1	144	457
		<u>22,275</u>	<u>6,182</u>
Provision for expected credit loss		(1,748)	(1,759)
		<u>20,527</u>	<u>4,423</u>

## 11 Inventory

	<b>31-Mar-2024</b>	<b>31-Dec-2023</b>
Raw materials	42,152	46,896
Fuels	44,568	51,451
Semi-finished product	118,289	101,444
Finished product	20,285	19,967
Spare parts / maintenance materials	53,716	52,810
Less: Provision for obsolescence	(16,648)	(16,272)
	<u>262,362</u>	<u>256,296</u>

## 12 Securitization

On March 22, 2024, the Group entered into an agreement related to its revolving receivables securitization transaction with a financial institution with maturity to March 2027 with a credit facility amounting to \$250 million to include all the Group's subsidiaries. Securitization balances are presented as long-term in the balance sheet position to reflect the transaction's due date.

	<b>Note</b>	<b>31-Mar-2024</b>	<b>31-Dec-2023</b>
Notes continuing to be recognized		48,844	43,091
Capital contribution in the SPE		5,893	8,625
Notes and capital related to the SPE		54,737	51,716
Security guarantee		(13,841)	(19,094)
Junior note guarantee losses		(4,124)	(599)
Junior subordinated note	20	(17,965)	(19,693)
Net carrying amount of the continuing involvement		<u>36,772</u>	<u>32,023</u>

**Notes to condensed consolidated interim financial statements**  
**For the period ended March 31, 2024**  
 In thousands of U.S. dollars, unless otherwise stated, unaudited

## 13 Related party transactions

### 13.1 Analysis

	Note	Income		Expense	
		31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
<b>Parent company</b>					
Votorantim Cimentos International S.A.		-	-	531	-
<b>Sister companies, associates or joint ventures</b>					
VCNA SPE, LLC	26	1,489	3,864	6,030	2,366
Votorantim Cimentos Trading		-	-	4,857	-
RMC Leasing, LLC		-	-	384	384
Hutton Transport Limited		-	-	5,367	6,310
Midway Group, LLC		732	561	-	-
		<u>2,221</u>	<u>4,425</u>	<u>17,169</u>	<u>9,060</u>

	Note	Receivables		Liabilities	
		31-Mar-2024	31-Dec-2023	31-Mar-2024	31-Dec-2023
<b>Parent company</b>					
Votorantim Cimentos International S.A.		-	-	531	-
<b>Sister companies, associates or joint ventures</b>					
Votorantim Cimentos Trading		-	-	111	14,046
Votorantim Cimentos EAA Inversiones, S.L.		38	-	-	5
VCNA SPE, LLC	12	54,737	51,716	17,965	19,693
Midway Group, LLC		106	457	882	2,029
		<u>54,881</u>	<u>52,173</u>	<u>19,489</u>	<u>35,773</u>
Current		144	457	1,524	16,080
Non-current		54,737	51,716	17,965	19,693
		<u>54,881</u>	<u>52,173</u>	<u>19,489</u>	<u>35,773</u>

### 13.2 Debts issued by the Company and its subsidiaries guaranteed by the Group

Instrument	Guarantor	Percentage guaranteed by the Company		
			31-Mar-2024	31-Dec-2023
Voto 2027*	Votorantim Cimentos S.A.	100%	504,951	512,139
Committed credit facility	Votorantim Cimentos S.A.	100%	214,988	33,909
			<u>719,940</u>	<u>546,048</u>

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

\*VCI holds \$41.5M od Voto 2027's principal.

**Notes to condensed consolidated interim financial statements**  
**For the period ended March 31, 2024**

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

**14 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 March 31, 2024			Income from investments		Investment balance	
	Net equity	Net income (loss) for the period	Percentage of voting and total capital (%)	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Dec-2023
<b>Joint ventures</b>							
Hutton Transport Limited (i)	14,549	710	25.00	177	129	5,816	5,899
Grundy-River Holdings, LLC	12,637	-	50.00	-	-	6,318	6,318
Midway Group, LLC	14,487	(722)	50.00	(361)	(212)	7,244	7,605
RMC Leasing, LLC	8,059	155	50.00	78	31	4,030	3,952
				(106)	(52)	23,408	23,774

**(b) Changes**

	31-Mar-2024	31-Mar-2023
<b>Balance at the beginning of the period</b>	23,774	16,480
Investment income	(106)	(52)
Approved dividends	(142)	(640)
Currency translation	(118)	21
<b>Balance at the end of the period</b>	23,408	15,809

**15 Property, plant and equipment**
**(a) Analysis and changes**

	Land	Land improvements & buildings	Equipment	Vehicles	Construction in progress	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Balance at the beginning of the period</b>							
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)
<b>Net balance</b>	106,601	385,442	589,895	97,571	180,940	1,360,449	1,286,882
Acquisitions	-	-	-	-	38,381	38,381	28,017
Business acquisition	-	-	-	-	-	-	1,817
Disposals	-	-	-	-	-	-	(128)
Depreciation (i)	-	(4,899)	(18,380)	(5,404)	-	(28,683)	(27,408)
Transfers	-	1,686	53,757	4,912	(60,763)	(408)	(1,361)
Translation differences	(1,060)	(4,622)	(6,173)	(874)	(2,450)	(15,179)	3,521
<b>Balance at the end of the period</b>	105,541	377,607	619,099	96,205	156,108	1,354,560	1,291,340
Cost	105,541	873,516	1,835,327	285,912	156,108	3,256,404	3,079,301
Accumulated depreciation	-	(495,909)	(1,216,228)	(189,707)	-	(1,901,844)	(1,787,961)
<b>Net balance</b>	105,541	377,607	619,099	96,205	156,108	1,354,560	1,291,340
Average annual depreciation rates %		18	15	7			

(i) Depreciation expense of \$28,230 is included in 'cost of goods sold' and \$453 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).

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 March 31, 2024**

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

	31-Mar-2024	31-Dec-2023
Sustaining	83,358	77,127
Modernization	33,771	54,826
Health & Safety	20,522	20,755
Expansion	18,457	28,232
	156,108	180,940

**16 Intangible assets and goodwill**

	Goodwill	Computer software	Exploration rights	ARO	Customer relationships and non-competes	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Balance at the beginning of the period</b>							
Cost	295,077	35,442	368,135	44,538	121,377	864,569	878,884
Accumulated amortization	-	(32,266)	(86,458)	(26,604)	(84,647)	(229,975)	(211,361)
<b>Net balance</b>	295,077	3,176	281,677	17,934	36,730	634,594	667,523
Transfers	-	56	352	-	-	408	1,362
Business acquisition	-	-	-	-	-	-	1,039
Adjustments	-	-	-	-	-	-	1,276
Amortization (i)	-	(295)	(1,760)	(968)	(914)	(3,937)	(4,764)
Translation differences	-	(53)	(757)	(1,248)	-	(2,058)	482
<b>Balance at the end of the period</b>	295,077	2,884	279,512	15,718	35,816	629,007	666,918
Cost	295,077	35,445	367,730	43,290	121,377	862,919	883,043
Accumulated amortization	-	(32,561)	(88,218)	(27,572)	(85,561)	(233,912)	(216,125)
<b>Net balance</b>	295,077	2,884	279,512	15,718	35,816	629,007	666,918
Average annual amortization rates %		5	2	12	10		

(i) Amortization expense of \$3,876 is included in 'cost of goods sold' and \$61 is included in 'general and administrative expenses'.

**17 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 03/31/2024	01/01/2023 to 03/31/2023
<b>Balance at the beginning of the period</b>						
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)
<b>Net balance</b>	84,520	4,089	4,637	70,023	163,269	189,314
Acquisitions	2,432	1,031	1,923	-	5,386	258
Disposals	(110)	-	-	-	(110)	(13)
Amortization (i)	(1,169)	(952)	(621)	(6,689)	(9,431)	(9,758)
Currency translation adjustment	(304)	(45)	(2)	(728)	(1,079)	255
<b>Balance at the end of the period</b>	85,369	4,123	5,937	62,606	158,035	180,056
Cost	105,531	27,693	35,185	163,362	331,771	320,617
Accumulated amortization	(20,162)	(23,570)	(29,248)	(100,756)	(173,736)	(140,561)
<b>Net balance</b>	85,369	4,123	5,937	62,606	158,035	180,056
Average annual amortization rates %	10	5	5	9		

(i) Amortization expense of \$9,431 is included in 'cost of goods sold'.

**Notes to condensed consolidated interim financial statements  
For the period ended March 31, 2024**

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

**(b) Analysis and changes of lease agreements**

	Note	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Balance at the beginning of the period</b>		171,528	204,048
Additions		5,386	258
Disposal		(110)	(13)
Payments		(10,344)	(8,556)
Interest expense	26	1,619	1,763
Interest paid		(1,618)	(1,765)
Exchange variations		(707)	(1,127)
<b>Balance at the end of the period</b>		<b>165,754</b>	<b>194,608</b>
Current		19,397	21,616
Non-current		146,357	172,992
		<b>165,754</b>	<b>194,608</b>

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 24.

**18 Borrowings**
**(a) Analysis**

Type	Average annual cost	Current		Non-current		Total	
		31-Mar-2024	31-Dec-2023	31-Mar-2024	31-Dec-2023	31-Mar-2024	31-Dec-2023
CAD Revolver	CDOR + 0.95%	-	-	102,500	45,000	102,500	45,000
USD Equivalent		-	-	75,696	33,909	75,696	33,909
USD Revolver	SOFR + 0.95%	-	-	150,000	-	150,000	-
Total Revolver		-	-	225,696	33,909	225,696	33,909
Bond Payable	5.8%	5,732	10,726	496,900	496,503	502,632	507,229
Mortgages Payable	3.6%	550	551	356	479	906	1,030
		<b>6,282</b>	<b>11,277</b>	<b>722,952</b>	<b>530,891</b>	<b>729,234</b>	<b>542,168</b>

**(b) Maturity profile**

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

	31-Mar-2024		31-Dec-2023	
	Amortized	Balance	Amortized	Balance
6 months or less	0.9%	6,847	2.2%	11,832
6-12 months (i)	-0.1%	(565)	-0.1%	(555)
1-5 years	99.1%	722,952	97.9%	530,891
	<b>100.0%</b>	<b>729,234</b>	<b>100.0%</b>	<b>542,168</b>

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

**(c) Changes**

The changes for the period are as follows:

	Note	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Balance at the beginning of the period</b>		542,168	507,630
New borrowings		192,553	114,436
Exchange rate variations		(18)	(472)
Interest expense	26	9,595	8,311
Interest paid		(14,585)	(14,413)
Amortization of financing costs		(374)	352
Principal paid		(105)	(308)
<b>Balance at the end of the period</b>		<b>729,234</b>	<b>615,536</b>

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 March 31, 2024**

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

**(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	(226,230)	73,770
Global Revolving Credit Facility	VCSA / VCI / VCEAA / St Mary's	Sep/21	Sep/26	250,000	-	250,000
					<u>(226,230)</u>	<u>323,770</u>

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 65,000 and USD 40,000 of the outstanding balance presented above.

**19 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**

	31-Mar-2024	31-Dec-2023
Deferred tax assets		
Net operating losses	107,279	98,770
Investment Tax Credit (ITC)	35,815	36,544
Provisions	12,571	14,561
Ontario Minimum tax	7,743	7,900
Other	11,287	4,763
Total deferred tax assets	<u>174,695</u>	<u>162,538</u>
Deferred tax liabilities		
Accelerated tax depreciation	(237,264)	(239,813)
Total deferred tax liabilities	<u>(237,264)</u>	<u>(239,813)</u>
Net deferred tax assets (liabilities)	<u>(62,569)</u>	<u>(77,275)</u>
Deferred tax assets *	25,533	17,835
Deferred tax liabilities *	(88,102)	(95,110)

\*These balances are presented net by legal entity.

**(c) Pillar 2**

The Company is assessing the impact of Pillar 2 legislation. Based on a preliminary assessment using interim financial information of the constituent entities in the group, it is expected that none of the Company's jurisdictions will be subject to top-up tax due to qualifying for one of the three transitional safe harbors prescribed in the guidelines.

**Notes to condensed consolidated interim financial statements  
For the period ended March 31, 2024**

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

**20 Provisions and other liabilities**

	Asset retirement obligation	A/R securitization (Note 12)	Total
<b>Balance - December 31, 2022</b>	35,791	21,929	57,720
Charged to the income statement	1,254	-	1,254
Change in provisions/estimates	1,238	(5,760)	(4,522)
Settlements	(972)	-	(972)
Exchange differences	47	-	47
<b>Balance - March 31, 2023</b>	37,358	16,169	53,527
<b>Balance - December 31, 2023</b>	19,413	-	19,413
Charged to the income statement	345	-	345
Change in provisions/estimates	-	(1,728)	(1,728)
Settlements	(878)	-	(878)
Reclassification from current liabilities	-	19,693	19,693
Exchange differences	(128)	-	(128)
<b>Balance - March 31, 2024</b>	18,752	17,965	36,717

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

As at March 31, 2024 the Company's fully subscribed and paid-up capital was \$346,286 (December 31, 2023– \$353,331), consisting of 1,000,000 Class A Common Shares (December 31, 2023 – 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
<b>Balance - December 31, 2022</b>	295,824	(24,279)	(2,392)	269,153
Unrealized gain (loss) on net investment hedge, net of tax	-	2,256	-	2,256
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(56)	(56)
Foreign currency translation	5,604	-	-	5,604
<b>Balance - March 31, 2023</b>	301,428	(22,023)	(2,448)	276,957
<b>Balance - December 31, 2023</b>	285,452	(12,599)	(2,507)	270,346
Unrealized gain (loss) on net investment hedge, net of tax	-	(9,970)	-	(9,970)
Changes in fair value of financial assets at fair value through other comprehensive income	-	-	(22)	(22)
Foreign currency translation	12,398	-	-	12,398
<b>Balance - March 31, 2024</b>	297,850	(22,569)	(2,529)	272,752

**22 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.

Notes to condensed consolidated interim financial statements  
For the period ended March 31, 2024  
In thousands of U.S. dollars, unless otherwise stated, unaudited

## 23 Revenue

### (a) Net revenue by product line

	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
Cement	120,079	114,882
Ready-mix	88,295	100,619
Aggregates	17,180	15,050
Other	1,002	2,070
	<u>226,556</u>	<u>232,621</u>

### (b) Breakdown

	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
Gross sales		
Customers in Canada	87,432	80,449
Customers in USA	139,124	152,172
Revenue from contracts with customers	<u>226,556</u>	<u>232,621</u>

## 24 Expense by nature

	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
Employee benefit expense	74,194	69,600
Freight cost	24,279	24,554
Depreciation and amortization (Notes 15, 16 and 17)	42,051	41,930
Maintenance	47,612	44,498
Raw materials and consumables	29,513	30,112
Fuel costs	15,338	20,068
Electric power consumption	9,922	10,215
Services, miscellaneous	13,958	13,888
Taxes, fees and contributions	5,750	5,551
Purchase of finished products	1,469	5,377
Insurance	2,552	2,538
Rents and leases (Note 17)	1,819	1,854
Utilities	2,018	2,239
Other expenses	8,630	12,813
	<u>279,105</u>	<u>285,237</u>
<b>Reconciliation</b>		
Cost of goods sold	252,088	260,022
Selling	9,452	8,809
General and administrative	17,565	16,406
	<u>279,105</u>	<u>285,237</u>

**Notes to condensed consolidated interim financial statements**  
**For the period ended March 31, 2024**  
 In thousands of U.S. dollars, unless otherwise stated, unaudited

## 25 Financing results, net

	Note	01/01/2024 to 03/31/2024	01/01/2023 to 03/31/2023
<b>Financial income</b>			
A/R securitization fees income		1,489	3,864
Cross guarantee revenue		147	292
Interest income		302	156
<b>Financial expense</b>			
Interest expense, third party loans	18(c)	(9,595)	(8,311)
A/R securitization fees expenses		(6,030)	(2,366)
Cross guarantee expenses		(2,377)	(2,318)
Interest expense, leasing	17(b)	(1,619)	(1,763)
Bank charges and other financial results		(888)	(807)
Amortization of prepaid financing costs		(405)	(381)
<b>Net foreign exchange</b>			
		370	(2,183)
		<u>(18,606)</u>	<u>(13,817)</u>

## 26 Events after the reporting period

On April 2, 2024, the Company concluded the issuance of a BOND in the international capital markets amounting to USD 500,000, with maturity in 2034 and containing sustainability performance indicators (sustainability-linked bonds). 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. The sustainability performance indicators are related to CO2 net emissions (scope 1) and thermal substitution, to be measured as of December 31, 2028.

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 is USD 238,447.



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